A REVIEW OF INCOME GENERATION PROJECTS WITHIN GAUTENG PROVINCE

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DEDICATION

To my wife, Rejoice, who encouraged me throughout my master's studies particularly during the research process, she is the fountain of my encouragement.

To development practitioners in South Africa whom the research report is intended to assist in their noble task of helping less privileged people

Lastly, to projects members who are involved with enterprise development and thereby creation of employment opportunities as an endeavour to alleviate poverty

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This research report would not be complete without the support of my friends and colleagues who contributed by either commenting on or proof reading the many drafts papers which preceded the report. I wish to single out my supervisor, Mr. Collins Miruka whose prompt response and very detailed comments enabled competition of the report.

I also wish to thank my family, wife and three children, who allowed me time to complete the research report

DECLARATION

I declare that the research report is work done by Maphutha Patrick Makhura. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the field of Public and Development Management in the University of Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any university.

ABSTRACT

The research report endeavours to unearth the factors which cause the failure and success of income generating projects. Poverty Relief Programme implemented in Gauteng province was chosen to enable realisation of the objective of the research report. The background provides a brief account of the programme, problem statement, research question, and purpose of the study, significance of the report as well as the outline of the research methodology.

The question of the study: what led to the success and failures of poverty reduction community initiatives was inspired by the high failure rate (representing about 90%) of business oriented projects in PRP from 1998 to 2004. The study highlights possible solutions flowing directly from success and failures of these well intended community initiatives.

Case study method was applied to make the task of the research manageable. Two projects, one defunct and the other still existing, served as case studies. Data was collected using a questionnaire for officials and focus group at projects members' level. Univariate analysis method was undertaken to analyse data after it was categorised and respective percentages in relation to sample size were determined. The key findings are:

- Officials from the intervening organisation possessed relevant skills necessary for supporting income generating projects,
- No market survey was done prior to programme implementation,
- Projects' linkages with public private sectors,
- Projects members received appropriate training,
- There was no systems approach to programme planning and implementation.

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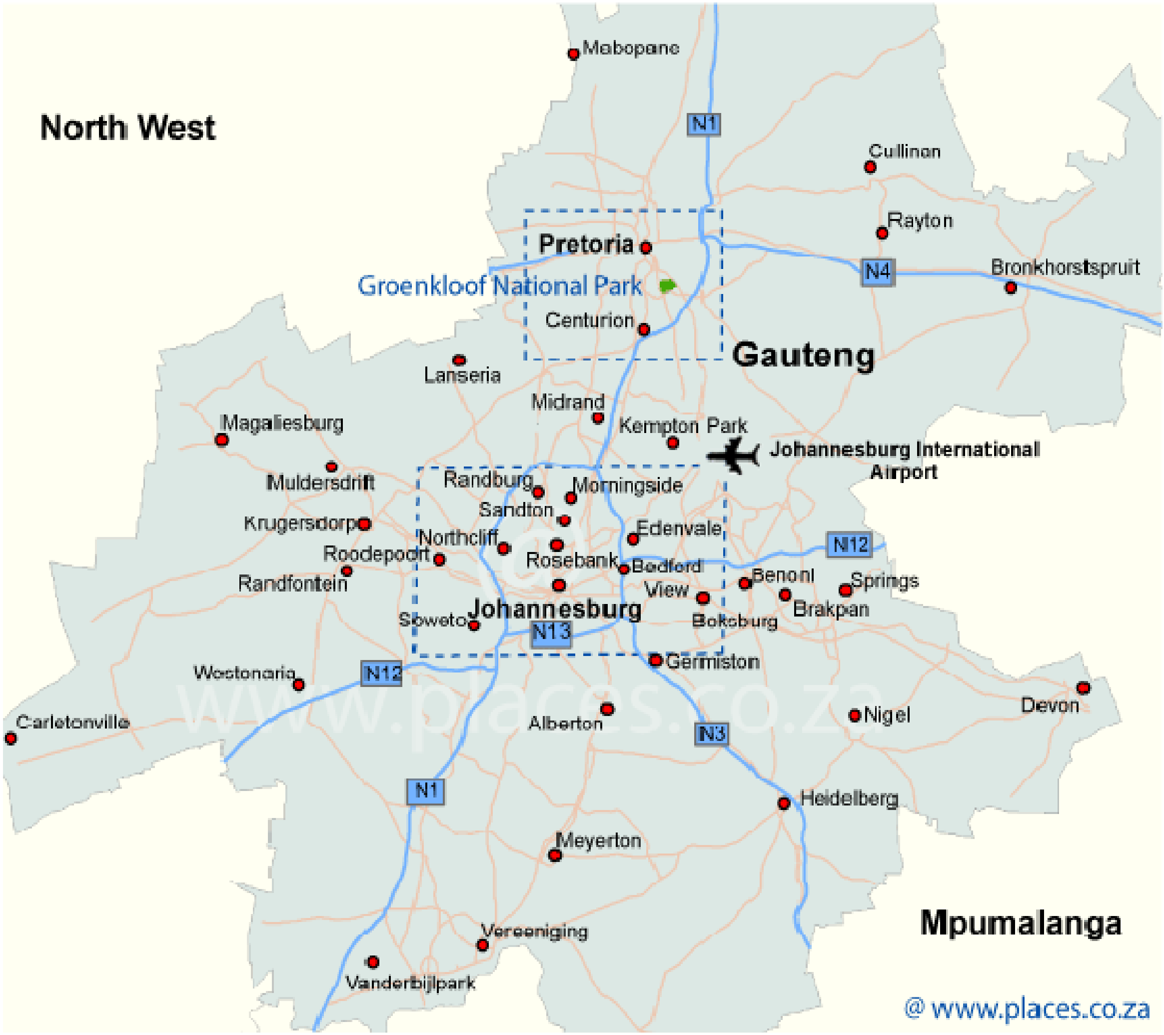
MAP OF THE REGIONS STUDIED

The research report looks at Poverty Relief Programme in Gauteng province. Projects which formed part of the case study are found in Bronkhorstpruit (Zithobeni Township) and Vanderbijlpark (Bophelong).



CHAPTER I: INTRODUCTION

Enterprise development in Gauteng Province is the focus of the research report. Two areas of a case study were chosen to enable review of income generation projects (IGP's) in Gauteng. The Gauteng provincial government is committed to serving as a vehicle for the implementation of National Poverty Alleviation Programme, which was launched by South Africa's first democratic state president Nelson Mandela in 1998 in Kwazulu-Natal.

The programme is aimed at reducing poverty by supporting local community initiatives or projects. To facilitate focused support by government, specific objectives were set according to which proposals from communities would be assessed for purposes of funding. Specific categories of focus areas or objectives are Income Generation, Subsistence Farming, and Dual Purpose or Care for the Aged and Children.

Projects are funded from the national Department of Social Development. Identification and recommendation of projects take place within the provinces, cascading upwards from Decentralized District Offices to Provincial Offices. Decentralized offices of the department of Social Development assist targeted communities with preparations of project proposals. Approval of projects is done within the constraints of budget allocations in each province.

This research report focuses on income generation projects of the programme as implemented by Gauteng Department of Social Development from 1998/1999 to 2003/2004 financial years. The period covers six financial years during which an investment to the value of R 15,775,517.00 was made towards creating and sustaining one hundred and fifteen projects in the province (Annual Disbursement Reports: 1998/1999; 1999/2000, 2000/2001, 2001/2002, 2002/2003, and 2003/2004). Less than 10% of these projects sustained themselves independently of the funding from the programme. Only three women cooperatives still existed at the time of writing this report. (See Annexure 1: a list of income generation projects, funded under the period of the review).

1.1 PROBLEM STATEMENT

Inherent in the concept of income generation projects is the issue of sustainability. Once supported with the initial, or seed funding, it is expected of income generation projects to generate and continuously expand benefits that would continue to flow to project beneficiaries without adversely affecting the initiative.

10% of the projects discussed here survived beyond the grant funding. Grant funding in this case could be regarded as the start up fund. The inability of these projects to achieve sustainability after funding had stopped constituted the problem. The projects could have contributed to the reduction of poverty in this country as initially envisaged with the introduction of Poverty Alleviation Programme.

1.2 RESEARCH QUESTION

What led to the success and failure of these poverty reduction community initiatives or IGPs? Three subsequent questions are as follows:

1. What kind of support do income-generating projects require?
2. Can income generating projects help achieve ‘satisfiers’ of basic needs i.e. education and health of the poor?
3. Who should be targeted or selected for income generating projects?

1.3 PURPOSE OF THE STUDY

The purpose of the research is to explore factors that led to both the failure and success of income generating projects. The report examines one successful project (which continued to exist beyond the grant or funding) and one failed project (which ceased to exist as soon as funding dried or stopped). The exploration was aimed to enhance understanding of development practitioners in the field of community development to deal with income generation projects better and thus ensure their sustainability. There is inadequate capacity of the support (not the project team) in the area of income generation which causes the failure or collapse of these kinds of projects soon after funding stops.

1.4 SIGNIFICANCE OF THE REPORT

As applied research, the study aims at contributing towards supporting initiatives at community level to sustain their existence long after funding has stopped. According to Brynard (1997: 5), the research problem in applied research is chosen because of the practical value the research would have in a particular situation. The intention is to apply the results of the research to solve an immediate problem. The immediate problem in the research report concerns the inability of income generating projects to achieve and sustain their self-sufficiency. Therefore, the research report, in line with Brynard's view, intends to address this immediate problem by proposing possible solutions. The practical value of the research report is that it will influence decision-making processes in support organizations.

1.5 OUTLINE OF RESEARCH METHODOLOGY

1.5.1 How the Researcher Collected Data

The researcher designed two questionnaires to assist with collection of data. One questionnaire targeted officials from support organisations while the other was used as a guide during discussions in the focus groups with project members. The questionnaire for officials was sent to respondents by e-mail since time was limited on the one hand and on the other hand, officials did not have the time. Data was collected in November 2006 a time at which many of the officials were planning to go on holidays. The questionnaire became an appropriate tool to collect required data within such a short space of time. Respondents returned the completed questionnaires through email.

A guide of pre-set questions was used to collect data at the level of the projects. Initially, six members from each project were to take part in the focus group discussions. Due to problems which would be discussed under point 1.5.4 below, the number of respondents at project level had to be reduced to three. Nonetheless, the researcher went ahead with focus group discussion involving two projects, one defunct and the other still existing.

The researcher had to travel to both Bophelong in Vanderbijl Park and Zithobeni in Bronkhorstpruit for focus group discussions. After introducing himself, the researcher explained the process and how the guiding questionnaire would be used to facilitate the discussion with the need of probing where necessary. Discussions were recorded while at the same time completing the questionnaire.

1.5.2 Sampling Procedure

The planned sample size consisted of twenty six respondents. Due to challenges mentioned in point 1.5.4, the sample size had to be reduced to sixteen elements. The researcher applied enculturation principle by means of which data sources had to be identified on the basis of their involvement in the projects. Involvement could either be direct or indirect. Key informants placed at the managerial level would be indirectly involved with projects since they mainly deal with programme policy. Officials at the operational level, in charge of project implementation, were directly involved with projects. The two levels, managerial and operations thus became the main categories from which representative sample elements were drawn.

1.5.3 Initial Data Analysis Technique

Univariate analysis method was applied to analyse data. Cases were grouped according to options respondents had to choose for example “yes, no, not sure”. The frequency of options and percentages thereof were recorded to enable analysis and interpretation.

1.5.4 Major Problems Encountered

Two major problems were experienced during collection of data. The first one relates to availability of members of the defunct projects. Initially, they were not willing to take part in the discussion fearing the researcher might be investigating them. It took about three weeks to convince them that the researcher wanted to collect data purely for academic work contributing to the completion of a master's degree program. Finally, only three respondents agreed to be part of the focus group discussion. In view of the latter the number of participants in the project which still exist had to be reduced to three as well hence only six respondents from the two projects which served as the case study.

The second problem relates to the response rate from support organisations' officials. A total of thirteen respondents were targeted for data collection. Three did not respond thus reducing the number of respondents to ten. At the end of the exercise, the whole sampling size was reduced from twenty five to sixteen which is still fair since representativity of the targeted areas, that is, management and operations was not affected.

1.6 LIMITATIONS OF THE RESEARCH REPORT

Researcher's bias

The researcher has just been assigned to Poverty Relief Programme to facilitate the withdrawal of the Independent Development Trust in a manner that still retains the integrity of the organisation i.e. programme exit with minimal political implications which could affect IDT's business with government. Involvement of the researcher in the programme may influence the results of the research report despite the attempt to remain objective throughout the research process.

No permission from authorities of support organisations

The researcher did not ask permission from relevant authorities to allow their officials to be interviewed on the programme. As a result, the officials were not assured of the application of confidentiality principle since it was not addressed formally in a letter. There is a probability that officials may have withheld some of the very important data. Results of the research report would be distorted should the probability be true.

Smaller sample size

The planned sample size consisted of twenty five elements. Due to problems discussed in 1.4.4 above, the sample size was reduced to sixteen elements. The danger is generalisation which normally results from smaller sample size (Brynard and Hanekom 1997: 45). In the case of this research report, the smaller sample size will experience the problem as highlighted by the two preceding authors. According to Barbie and Mouton such a potential pit fall could be alleviated by homogeneity of the sample. As discussed earlier, the researcher applied stratified sample with relative homogeneity within identified sub-strata.

1.7 CHAPTER LAY-OUT

The organization of the study is arranged under six chapters outlined as follows:

Chapter I includes a brief background of the Poverty Relief Programme, problem statement and purpose of the study. Significance of the study is also included in this chapter along with the outline of the research methodology and limitations of the research report.

Chapter II focuses on the literature review. This helps in understanding the theoretical framework that other scholars have developed in dealing with poverty and enterprise development.

Chapter III deals with the research methodology covering the questionnaire, research strategy and data analysis.

Chapter IV focuses on presentation of data as collected from primary sources. Also included is a discussion on the findings.

Chapter V deals with analysis and interpretation of findings with a view of linking same to factors leading to success and failures of income generation projects.

Chapter VI highlights majors findings, discusses problems of analysis and interpretation as well as recommendations.

1.8 CONCLUSION

A brief background of Poverty Relief Programme in Gauteng province was presented highlighting the total investment made by government in support of income generating projects over a period of six year. Also indicated was the success rate of the programme in the area of income generation which is about 10%. This low success rate formed the basis for the problem statement. The purpose and significance of the study were also discussed.

Outline of research methodology looked at how the researcher collected his data, sample procedure, initial data analysis and major problems encountered in the research process. There was a dedicated section for discussion of limitations of the study. Lastly, there was a need for outlining the chapter lay-out.

The following discussion will focus on the literature review.

CHAPTER II: LITERATURE REVIEW

Four related themes are dealt with under literature review. The first is the need for development practitioners to have a common understanding of the concept of poverty. The discussion starts from the traditional understanding of poverty and then moves on to the contemporary understanding. It is important to understand the situation affecting the poor in order to help them come out of such a situation hence the concept of poverty as a unit of analysis.

The discussion then moves on to cover intervention strategies as a means through which support organisations and donors translate their understanding of poverty into meaningful action. Meaningful action could be in the form of development programmes and projects. The thrust of literature review is on entrepreneurship with more emphasis on factors influencing either the success or failure of IGP's.

2.1 UNDERSTANDING POVERTY

A common understanding of the concept of poverty is very important before venturing into methods of how it could be reduced or alleviated. The key question is who the poor in any population are. According to Smith (1994:43), the question could be approached in two ways. First is the understanding of poverty as a relative term. Thus, poverty refers to a living standard, which falls below the average of the country in question. The average of the country is generally known as the poverty line and is normally expressed in monetary terms. It can be related to daily or yearly requirements.

By international standards, anybody who lives on less than US$2 is considered poor. According to the recently released report (A Nation in the Making – A discussion document on Macro-Social Trends in South Africa, 2006) the poverty datum line was R322.00 per month per household by end of 2000. About 33% of South African population was on the lower end of the poverty datum line.

Relative poverty refers to comparison of the lowest segment of a population with upper segments usually measured in income deciles (Lok-Dessallien 2004). Lok-

Dessallien's definition of poverty is in line with recent trends in South Africa, which distinguish the poor from the non-poor. The poorest of the poor in South Africa constituted 40% of the population in 1998 (Poverty and Inequality in South Africa: 1998). The remaining 60% were considered non-poor.

The second dimension is absolute poverty, which concerns a level of income required to purchase minimum requirements of life (Smith 1994:43). The same idea is somewhat expressed differently by Lok- Dessallien where absolute poverty is seen as subsistence below minimum living conditions.

Inherent in the understanding of poverty is whether relative or absolute poverty in the establishment of the poverty line. In other words, in any given country a socially acceptable standard of living is set against which the country's population quality of life is measured. The inability to attain such normative conditions implies a state of poverty. A segment of the population constituting the poor would be the ones whose income, if any, does not allow for the quality of life above the poverty line. Income, in the context of the discussion thus far, serves as a critical measure of poverty.

2.2 PHYSIOLOGICAL AND SOCIOLOGICAL DIMENSIONS

Poverty can also be defined in terms of its causes. The causes could be either sociological or physiological. Physiological deprivations are more in line with the previous discussion of the understanding of poverty with much emphasis placed on income as a means of fulfilling basic needs like food, clothing, and shelter (Lok- Dessallien 2004).

Sociological perspectives to poverty not only embrace the significance of income in addressing the situation of the poor but also emphasize power and governance structures. Inequalities embedded in structural and institutional power arrangements impede the poor peoples' ability to take advantage of the opportunities that are potentially available to them.

According to Lok-Dessallien (2004), an additional dimension to poverty over and above income is human capability. The condition of disempowerment of poor people impedes their ability to take charge of their own development. The understanding of poverty in the context of the sociological perspectives extends to issues of human capability and participation, among others.

The evolution of the understanding of poverty to include issues of empowerment of the poor forms the basis and focus of the research report. Central to the inquiry is the question of factors that lead to failure of income generating projects. The hypothesis is that project team members responsible for the implementation of income generation projects in Poverty Alleviation Programmes do not have adequate capacity to manage such projects successfully, and hence the employment of the support in the form of cluster managers. Cluster managers, comprising of development management organizations, were contracted to support the project teams by transferring the necessary skills or capacities, which would ensure successful implementation of these income generation projects. However, in spite of the support projects continue to fail.

2.3 INTERVENTION STRATEGIES

The understanding of poverty and the causes thereof are not enough. Such critical understanding should be expressed in tangible actions in the form of programmes and projects. Implementation of programmes and projects in turn are preceded by formulation of formidable strategies whose design would, according to Kanbur and Squire (1999), be influenced by measures of poverty. The latter raises the importance of the correct understanding of poverty dimensions in order to increase the impact of strategies aimed at reducing poverty.

Since the 1990s, poverty reduction strategies have been influenced by the need to address the income dimension of poverty. At country or macro level, the focus has been on improving economic development with specific emphasis on economic growth (World Development Report 2000, 2001). This one-dimensional approach to addressing poverty proved inadequate. According to the same report, today, poverty is viewed in its multidimensional character with subsequent influence on strategy formulations. Contemporary poverty reduction strategies should go beyond income as the only measure of poverty but also put more emphasis on empowering the poor (Lok-Dessallien 2004). According to the World Development Report (2000/2001), expanding the human capabilities of poor people remains central to any poverty reduction strategy today.

Hitherto, emphasis has been placed on the need to understand poverty in its multidimensionality as the first step to formulating appropriate strategies or interventions to reduce its negative impact. However, this level, that is, programme planning by support organisations, may not necessarily be the only explanation for the failure of poverty reduction efforts. According to Cusworth and Franks (1993: 11), implementation of projects aimed at reducing poverty may be the area where failure actually occurs.

They argue that projects' failure may be the result of internal and/or external factors. Predominant among these factors are capacities of both the project management team and the technical support, which is supposedly there to empower the former in their endeavour to help themselves out of the poverty situation. Cusworth and Franks's (Ibid.) view is in line with what the research report sets out to establish with regard to income generating projects that were implemented through the Poverty Alleviation Programme. Income generating projects are seen as strategies (SMME and Cooperatives development) by which government attempts to reduce poverty among poor people.

2.4 ENTREPRENEURSHIP

The specific form of enterprise organisation relevant to our discussion is cooperatives. However, a distinction should be made between producer and service cooperatives. Service cooperatives are mainly concerned with coordination functions, for example, collective purchasing and marketing. Producer cooperatives are directly involved in production activities (Hurley 1990: 30).

Literature on factors, which contribute towards failure or success of income generation projects, is limited. However, the little there is raises a number of factors. Primarily, cooperatives facilitate collective ownership of the enterprise. According to Abrahamsen in (James 1985:18), members of cooperatives are both owners and beneficiaries at the same time. The same people participate in policy formulation of the enterprise and continue with the implementation of policy they have developed. This character of cooperatives ensures democratic control of the enterprise by the people. It is then assumed that lack of transparency and application of democratic principles would lead to the collapse of the project. Owners of the project should not feel excluded from the projects; otherwise, this could be the source of incorrect perceptions leading to internal conflict and subsequent failure of projects.

Cooperatives whose primary objective is income generation as the basis for contributing social benefits to its members should adhere to basic business principles. Their appraisal should not only look at internal organisation. Due consideration should be made on cooperatives' target market (Hurley 1990: 76). It is important that support organisations' decision to approve any business activity as proposed by potential project beneficiaries should consider market absorptive capacity.

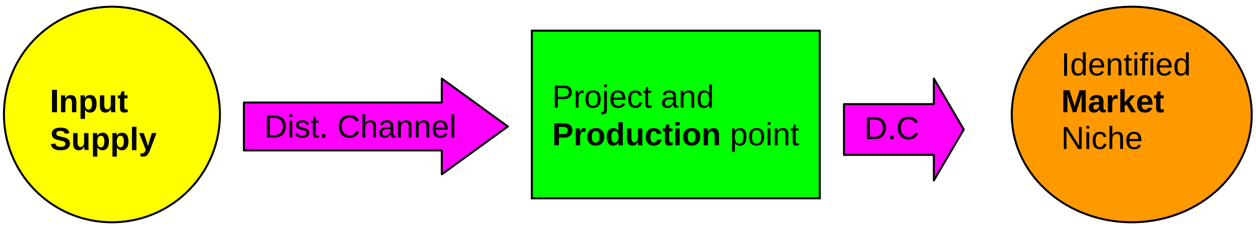
In support of Hurley's idea, Greenhalgh (2003) feels very strongly that attractive markets should be identified early on during intervention. Attractive markets are essential in ensuring interventions become demand driven as opposed to supply driven. The latter simply perpetuate the dependence of the intervention on grant funding which threatens the interventions' self-sufficiency. The emphasis is on the timing of market identification when dealing with income generation projects. In this case, identification of markets should be the starting point.

In addition to the issue of timing of market identification, is the need for market survey. Income generation project should flow from the market research study (Greenhalgh 2003). Hurley holds the same view and argues that feasibility study whether formal or informal should be carried out before intervention (1990: 74). It is only logical from the views of the two authors that the decision on the type of the business activity should be informed by what the market can offer or the demand. Any other approach contrary to the one proposed would lead to failure of the income generating project.

Closely related to the preceding point is the need to deal holistically with systems concerned with enterprise development (Greenhalgh 2003). In this case, the supply chain could be seen as made up of mainly four systems, that is, markets, production, inputs supply and distribution channels . Therefore, once the market niche has been identified following the market research study, it would be important to consider production and input supply processes as well as distribution channels, which would ensure market requirements, are met.

The project should make sure the quality of their products would sustain their market. At the same time, the project should --directly or indirectly-- establish good rapport with their input suppliers (see figure 2.1 below). The key issue is consistency in timely supply of inputs to projects. The same consistency should apply between the projects and their clients or markets.

Figure 2.1: Supply Chain Model



Another important issue to consider when dealing with income generating projects or enterprise development, is forming market linkages (Greenhalgh 2003). Local markets may not be sufficient to absorb the projects' products. Consideration should also be given to markets external to communities where projects exist. This is where support organisations could play their facilitative role that is, linking the projects to external markets, which normally should have been identified during the market survey, which formed the basis for establishment of the project. At this point, it may be necessary to consider other ways of ensuring projects or their clients do not incur huge costs. It may be important at this point to consider distribution channels or intermediaries as per the supply chain model in figure 2.1 above. Distribution channels will be discussed later in the report.

Earlier on a distinction was made between producer and service cooperatives. Failure or success factors, which have been mentioned thus far, relate to producer cooperatives. Depending on their proximity, producer cooperatives or income generating projects could be assisted by establishment of a separate project that can serve as a distribution channel in line with Hurley's view as discussed above.

Once again, this is where external support could play a major role in ensuring establishment of such a project, which would operate much like the service cooperative. Such a project would serve as a link between the producer cooperatives and their clients. Projects operating as service cooperatives could be given a start up fund and later derive their profit from those they support as distributing channels. In this way, costly logistics related to servicing external markets at producer cooperatives' level could be mitigated.

According to Hurley (1990: 55), another factor contributing towards failure of income generating projects is inappropriate skills or capacity on the side of support organisations. A report by IDASA corroborates this point. According to the report (IDASA: 2003), lack of markets was found to be the principal problem experienced by survivalists' enterprises. According to the same report "survivalists enterprises generate income of less than poverty line, has minimal asset value and economic activity is meant to keep the unemployed and their families alive". Yet non-governmental organisations (NGO's) which were helping these projects had no competencies necessary for supporting income-generating projects. Support organisations with irrelevant skills orientation should not facilitate enterprise development, for example, a welfare organisation supporting income-generating projects. In a situation like this, it is almost impossible for income generating project to attain reasonable measure of success.

Another critical issue, which naturally should be coming out of the market surveys, is promotion of public–private partnership (Greenhalgh: 2003). This is another area, which lends itself well to external support. Once identified in the market research, support organisations can play a major role in linking the projects to private business who as part of their social responsibility could be interested in assisting income-generating projects especially with regard to markets. Such private companies may either directly absorb some of the products of the projects or further link the project to other private enterprises.

According to Hurley, there are non-financial constraints, which adversely affect IGP's and need consideration as well. Market linkages are classified as one of such non-financial constraints and could sometimes take the form of intermediaries who instead of being supportive actually exploit the project (Hurley 1990: 77). An example is a situation where intermediaries purchase products at a cheaper price from projects in order to optimize their profit margin by selling the same products at a higher price. Selling their products cheaply just to remain in business may lead to low or no profits, which would adversely affect the existence of projects.

Such a reminder that not all is pure in the supply chain is important in order to create a balance between positive and negative influences affecting IGP's. In this case, exploitative relationship between the projects and their respective distributive channels may lead to failure of the income-generating projects.

The financial and technical support to projects should be time bound. According to Greenhalgh (2003), the support should neither be for too long nor too short a period. The length of the support should be a function of the type and nature of the project. Nonetheless, whatever the project imperatives, the support has to be temporary. Unending project support may lead to dependency syndrome and this does not auger well for any income-generating project. Hurley believes the duration of the grant funding should be used to build and further strengthen the projects' internal capacity to do business without external intervention (1990: 78) to ensure sustainability of the project beyond funding.

According to Hurley (1990: 76), also contributing to failure of enterprise development is lack of clarity of objectives between support organisation and the project beneficiaries. Support organisations impose their development images or solutions to project beneficiaries.

2.5 CONCLUSION

The discussion highlighted the importance of different dimension of poverty as the first step towards addressing the plight of the poor. Talking and not taking tangible action does not assist the poor. So, a section on intervention strategies in a sense urged development practitioners to go beyond just talking about the plight of the poor. Consolidating development effort through projects and programmes was also highlighted.

Factors affecting IGP's were identified. Below is brief summary of these factors:

- Collective ownership of the project and the need for democratic governance of the intervention as an effective way of maintaining cohesion among project beneficiaries.

- The need for appraisal of IGP's to go beyond just assessment of internal capacity of the project but also to include the targeted markets.

- Importance of identifying the market before commencement of the IGP's.

- Market research as essential starting point for IGP's.

- Addressing enterprise development holistically with supply chain system providing the necessary context.

- Significance of forming market linkages, both forward and backward linkages.

- The role distribution channels can play with regard to IGP's.

- Lack of appropriate business development skills on the side of organisations supporting IGP's.

- Promotion of private-public partnerships as part of creating markets for projects.

- The negative impact of exploitative relationship between IGP’s and the intermediaries / entities / individuals serving as distribution channels.

- Provision of subsidies and technical support on short term basis in order to discourage dependence of projects of funding or external support.

- Lack of clarity of objectives between development practitioners and project members. The issues highlights the probability of development professional hijacking the direction of the project given the influence or unbalance power relation between them and project members.

- Flowing from the preceding point, the need to put poor people at the centre of development interventions and concentrate on their priorities.

CHAPTER III: RESEARCH METHODOLOGY

The case study method was used. Two projects, one still existing and the other collapsed, served as areas of the case study. Three members from each project served as units of study. The study adopted the interpretive paradigm and thus applied qualitative methods for collection and analysis of data. A combination of focus group in the case of project members and questionnaire for officials were used as methods of collecting data.

In-depth individual interviewing was used as in Babbie and Mouton’s understanding (2001: 291) where special emphasis was placed on respondents’ meaning construction processes. The latter was particularly important in this research report since emphasis was put on the reasons why respondents believed certain factors contributed towards the failure or success of income-generating projects. In other words, the critical issue was how respondents came to formulate their opinion of what constituted the failure or success of income-generating projects.

The focus group method was used specifically for collection of data at the level of the projects or beneficiaries with the questionnaire serving as a guide. The number of participants was limited to six people, as recommended by Booysen (2005). The rationale for the focus group method was an attempt to derive meaning from participants’ perspectives on a number of issues under discussion.

A three-tier system of data collection sources was applied, namely, implementation agents, beneficiaries, and administration. Sources of data in the network of the support organizations like practitioners in the Department of Social Development, Independent Development Trust, and Service Providers referred to as Cluster Managers and the project beneficiaries were characterized by their direct involvement in project implementation. Thorough enculturation was the underlying principle in the selection of data sources.

3.1 THE QUESTIONNAIRE

A questionnaire was used to facilitate a focused discussion between the interviewer and the respondents. The questionnaire had a combination of closed questions and open-ended questions. Open-ended questions were meant to allow for flexibility and iterative-ness of the interview activity within the qualitative research paradigm.

The questionnaire covers ten key areas, each with a series of specific questions to help the researcher collect data to respond appropriately to the research question. The first theme looks at projects beneficiaries. Here the aim was to establish, on the one hand, whether the programme targeted poor people as intended and existence of appropriate policy on the other.

The second key theme focuses on the projects' markets. The important issue was conducting of market research study prior to programme implementation. In the case of the market research being undertaken, then determine the extent of its influence on the choice of income generation projects which Poverty Relief Programme supported. Also important was the need to determine whether the MRS assisted with identification of markets projects had to satisfy. Lastly, to find out accessibility of the markets by income generating projects. The market research study, market availability and accessibility have a direct bearing on the success or failure of the business oriented initiatives. Collecting data in the area which deals with the demand the projects had to satisfy, would assist the researcher identify factors contributing towards success or failure of IGP's.

The third key theme entails market linkages. This theme is closely related to the preceding one; market research study. The researcher found it necessary to determine which organisations had business links with projects. It is important to determine whether projects had external support, the type and influence thereof. The critical issue here is the value add business links would have on projects, whether that value add would result in project success or failure.

Fourthly, the questionnaire covered the theme on support organisations. Here the important issue pertained to skills and/or competencies of officials from support organisation and their relevance to business oriented projects. It is important to determine whether officials had appropriate business management competencies and the latter's contribution to projects success or failure.

The fifth theme addressed by the questionnaire is on capacity building of projects members. The idea was to establish whether projects members received training. Where training took place, what types and with what results by looking especially at the impact training had on improvement of human capacities or competencies relevant for enterprise management. Also critical to determine was the extent to which projects members following the training intervention could are ready to run their enterprises without external support.

Lastly, the questionnaire dealt with distribution channels. The key focus here is the relationship between projects and their distribution channels, that is, if it exists. In the case it exists, it is important to determine its quality and subsequently impact on the successor failure of projects.

3.2 RESEARCH STRATEGY

As discussed above, data was collected by means of the questionnaire in the case of officials and the focus group at project level. The focus group method enabled discussions with projects members. At this level the questionnaire was used as a guide to facilitate discussions with projects members. Probing by the researcher helped in digging out data relating to failures and successes of projects.

The questionnaire comprised closed and open questions. Closed questions enabled easy categorisation of responses and determining of percentages thereof in relation to the sample size. As a result data analysis became less difficult. Open questions allowed respondents to express themselves on different issues. The importance of open question cannot be over-emphasized particularly in the absence of person-to-person discussion between the researcher and respondents (officials).

The focus group discussion with projects beneficiaries and the questionnaire for officials were identified as appropriate tools for collection of data. Respondents were able to provide relevant data to appropriately respond to the research question: “What led to the success and failure of these poverty reduction community initiatives.”

Data was not collected from primary sources only. Secondary data sources were collected from the Independent Development Trust as the programme implementation agent as well as from the Department of Social Development which is the custodian of the programme and the projects considered in this study. Secondary data sources consist mainly of reports.

Document analysis involved reports relating to the projects under study as well as key documents of the programme. Reports were not limited to support organizations only. Also critical were reports from projects beneficiaries.

The principle, which guided selection of interviewees in the identified organizations, was underpinned by representativity of management and operations levels. The idea here was the attempt to, at all times, remain sensitive to the principle of objectivity of results. Data collected from the two levels provided the opportunity to manage the risk of exaggeration.

The Director for community development unit at the Johannesburg Regional Office, Deputy-Directors at provincial and national levels were selected to represent management. Social Workers responsible for project implementation, on the other hand, represented the operations level. Social workers also covered the three levels i.e. National, Provincial and District.

Table 3.1: Data collection sources from government

	National	**Province**	**District**
Management	Director	Deputy Director	District Manager
Operations	Social Worker	Social Worker	Social Worker

A national Programme Manager and Programme implementation manager represented management in the Independent Development Trust. Project officers represented operations level.

In line with Booysen (2005), a minimum of six participants were targeted for discussion as method of collecting data in each project. Participants were carefully selected to ensure representativity of both management and operations levels in the projects.

3.3 DATA ANALYSIS

The interviews were taped. The taped data was later transcribed. In organizing and presenting collected data, categorization was undertaken to enable interpretation and analysis. Categorised data was analysed using Univariate method. The principle of triangulation was used to achieve reliability and validity of the research report results.

The researcher applied stratified sampling method to identify data sources. The emphasis was on establishing homogenous sub-sets of the population from which representative data sources could be drawn in line with the view by Barbie and Mouton (2001:191). The two main sub-sets identified are managerial and operational levels. Further locational categories i.e. national, provincial and regional levels were determined within the two sub-sets. Drawing elements of the sample from each sub-set or stratum improves reliability of research results (Brynard 1997:44). Six elements of the sample represent managerial level while operational is represented by ten elements. A total of twelve sample elements represented both provincial and regional levels with projects included. National level was represented by four sample elements.

3.4 CONCLUSION

The chapter covered discussion on tools and methods of data collection. Tools entail the questionnaire and methods the cases study. The trust of this chapter is a discussion on the key questions of the study and how these contribute to answering of the research question. The research strategy further discusses tools and methods of data collection. The last section deals with analysis of data and indicated the method used for data analysis as well as the sample.

CHAPTER IV: PRESENTATION OF FINDINGS

Chapter IV is divided into two main sections. The first section covers presentation of data as collected from the primary data sources. The last section presents the findings of the researcher. There are ten findings in total. Initial analysis of data takes place during discussion of the findings. At this point, critical issues from data presentation in chapter IV are raised and linked to relevant sections of the literature review. Findings in this chapter are raised for discussion without concluding whether they lead to success or failure of the income generation projects. Such direct relationship of the findings and the research question is undertaken in chapter V.

4.1 PRIMARY DATA PRESENTATION

This section presents data as derived from primary data sources by means of a combination of interviews and a questionnaire. Data relating to closed questions is presented in tabular form followed by a brief discussion. Responses from open questions are direct respondents' views. Discussion of presented data is categorised into eight themes. First, there are project beneficiaries. This particular theme is discussed from two perspectives. The first perspective presents data from officials looking mainly at beneficiary targeting from policy point of view. The second perspective is presentation of data from project members with their income condition as the primary focus.

Second, there are market surveys to establish whether the study was undertaken prior to programme implementation. Also important was to determine whether such study if conducted had any influence on the choice of projects' business activities. Closely related to issues of the market study and its influence on projects activities is availability of the target market. Third, there are market linkages to establish organisations with which projects had a business relationship. Fourth, there are distribution channels to determine whether projects had access to their markets directly or through intermediaries. In the case intermediaries existed, what quality of relationship they had with projects. The critical issue here is the impact of the relationship between projects and their intermediaries.

Fifth, there are the support organisations to establish a list of such support organisations, types of services they actually rendered and the value added of the services rendered. Competencies of officials as people who interact with project members were also considered in terms of their relevance to projects' core business. Sixth, there is the projects' Internal Capacity to establish capacity-building interventions aimed at enhancing the skills capacity of project members. Seventh, there are institutional Arrangements to look at different organizational forms projects organized themselves. Eighth, there is the ownership of projects to establish whether this issue was considered and if so, how that assists in minimizing internal conflicts.

The focus of the research report was on business-oriented projects in the Gauteng province. Annexure 1 shows a list of projects that were funded by the programme with the intention of establishing business entities out of these initiatives. The list is long; to make the task manageable, two areas of the case study were selected from which three members per project were interviewed. One project still exists while the other collapsed.

4.1.1 Funding

The two projects received equal funding of R 500,000.00 over a three-year cycle. The period covered 2001/2002 to 2003/2004 financial years. Independent Development Trust and Department of Social Development were listed as key support organisations. Specific functions fulfilled by the two organisations are stated in detail in table 3.7 below. The important issue here is that the projects received support from the same organisations.

4.1.2 Location

The Kgatelopele women cooperative is found in Bophelong Township in the south of Johannesburg. Bophelong falls within Emfuleni local municipality, which is part of Sedibeng District Municipality. The Buhle Bethu women cooperative was located in Zithobeni Township towards the west of Bronkhorstpruit. Zithobeni falls under Kungwini local municipality, which is part of Metsweding District Municipality.

4.1.3 Target Market

Both projects were contracted with HIV/AIDS Sub-Directorate of the Gauteng provincial Department of Social Development to provide school uniform to orphaned children in identified schools.

Projects are given specific quantities and specifications, which served as a demand. The average value of the contract was R667.633.75 per project per year. Further details can be obtained from annexure two containing data, which was collected from Kgatelopele Women Cooperative.

4.1.4 Beneficiary Targeting

The issue of beneficiaries was looked at from the perspective of officials from support organisations' as well as project members. Questions looking at beneficiaries were divided between those relevant to officials from support organisations and project members. Questions relevant for officials were concerned with policy and the target group while in the case of beneficiaries their status before they joined the project was of critical importance. Tables 4.1 and 4.2 refer to responses from officials and projects members respectively.

Table 4.1 shows the views of respondents on the issue of beneficiary targeting as guided by programme policy. According to table 4.1 above, 100% response confirmed that targeting of beneficiaries was based on programme policy. In terms of the policy, the programme had to target unemployed people at the lower end of the social ladder i.e. people with little or no skills. Categories involved women, the youth, and the disabled. Women as the target group come up in all the responses. Interviewees responded to an open question and the following are some of their responses:

Table 4.1: Responses of officials on beneficiary targeting.

Support organisation Officials	Yes	No	Not sure	Total No. of Respondents
Was targeting of beneficiaries based on policy?	10	0	0	10
Percentage	100	0	0	100

“Single unemployed unskilled women and women who were bread winners in their households”
“Unemployed women”
“Unemployed persons, preference to women, the youth, and persons with disabilities”
“Unemployed women who were interested in income generating projects”

Project members responded to a separate set of questions regarding the issue of beneficiary targeting. Table 4.2 below shows responses of projects members, their financial position in relation to the poverty datum line before their participation in the project.

Table 4.2 shows responses of projects members who were identified as data sources on beneficiary targeting. According to data presented as per table 4.2 above, all project members were not earning any form of income before they joined the project. Also important to note is that they were unemployed. Project members responded to questions relating to the situation after the intervention through implementation of the income-generating project. The question was open ended and respondents were free to express themselves in terms of any other benefits they received beyond just the income.

Table 4.2: Project members' responses on beneficiary target

Project Members	Previously Unemployed = R0.00	R100.00 - R299.00	R300.00 – R599.00	Total No. of Respondents
How much were you earning before your participation in the project?	6	0	0	6
Percentage	100	0	0	100

Other benefits that come with participation in the project according to project members' perspective are as follows. First, women enhanced sewing skills. Project members can sew beautiful curtains for their households. The same applies to clothing of their family members. Using the income they generate from the project the expenditure they incur is on purchasing clothing, curtains, and beddings materials. Second, the project, which still exists, has since diversified its business activities. The project grows vegetables for subsistence purposes. Food availability is one of the benefits members achieved by being part of the project. Third, project members are now able to pay for their children's school fees.

4.1.5 Market Survey

Since the research report is focusing only on income generating projects, after beneficiary target, the next critical area was the market survey. Both projects members and officials from support organisations responded to the same questions. Data sources responded to five related sub questions under the market survey. Figure 4.1 shows a summary of responses.

Figure 4.1: Conducting of MRC prior to implementation of PRP

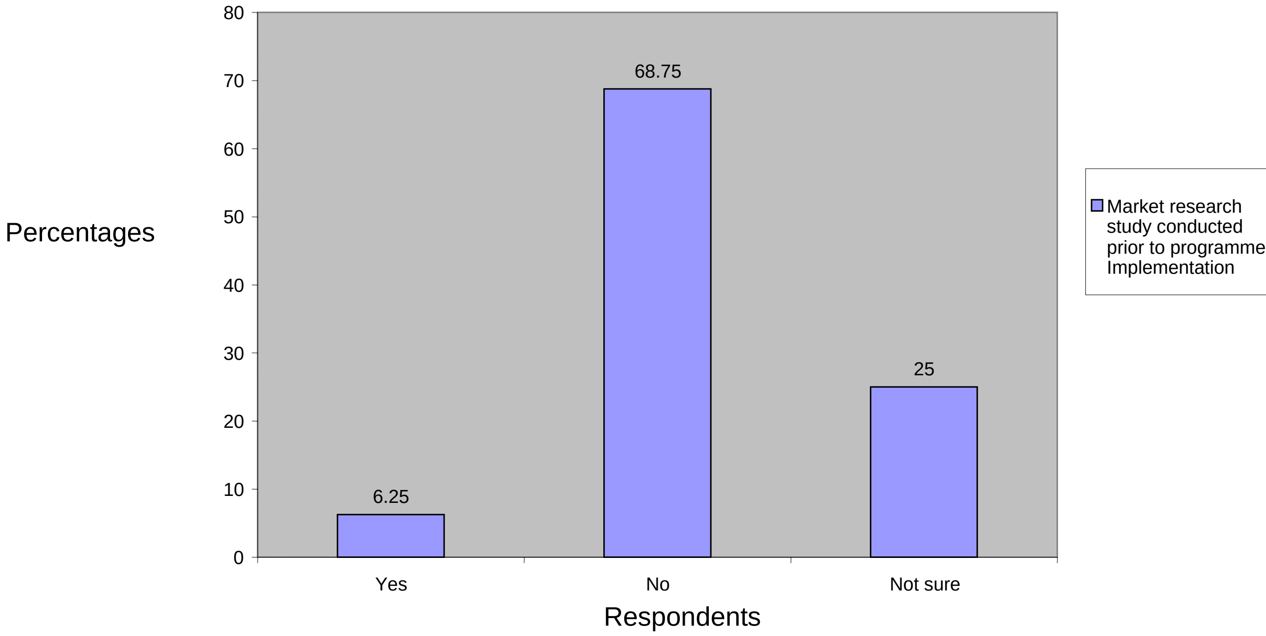


Figure 4.1 represents the views of respondents on whether market research study was conducted or not before implementation of PRP. Majority of respondents (68.75%) said no market survey was conducted prior to implementation of the programme. Respondents who were not sure comprise 25% while only 6.25% said the survey was conducted before commencement of the programme.

Responses above relate to the question on whether the market study was conducted or not. The next important question under market research study was about the influence the study had on the choice of projects' business activities. Below is table 4.3, which indicates how interviewees responded to the issue.

According to table 4.3 above, 68.75% of respondents said the choice of projects' business activities was not informed by market research study. Only 12.5% of respondents believe the choice of projects' business activities was based on the market research study. Respondents who were not sure whether the market research study influenced the choice of projects' business activities comprise 18.75%.

Table 4.3: Market study influence on the choice of projects' business activities

Question	Yes	No	Not sure	Total No. of Respondents
Did the market study influence the choice of the project business activity or activities?	2	11	3	16
Percentage	12.5	68.75	18.75	100

The important question is do projects have specific markets they serve? How accessible are these markets? Figures 4.2 and 4.3 will shed some light on these important questions especially when dealing with income generating projects.

Figure 4.2: Projects' Target Markets

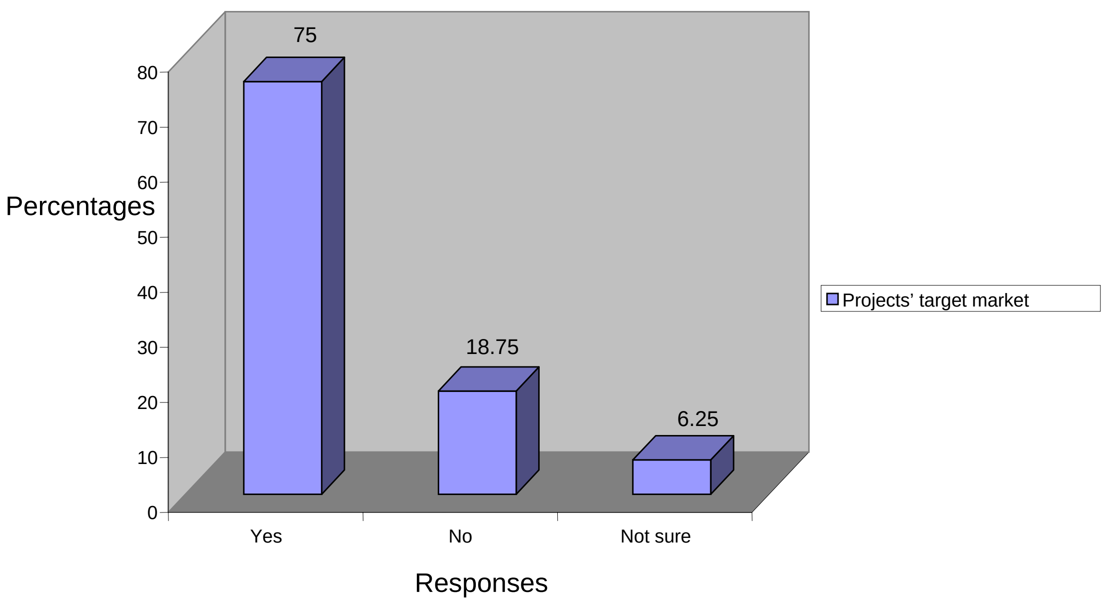


Figure 4.2 shows responses of data sources regarding availability of markets. According to the same figure, 75% of respondents confirmed availability of markets being served by projects. Respondents who said projects had no specific target market and those who were not sure form 18.75% and 6.25% respectively. Related to the issue of availability of specific target markets is their accessibility to projects. Figure 4.3 shows distances between projects and their target markets.

Figure 4.3: Proximity of Target Markets from Projects

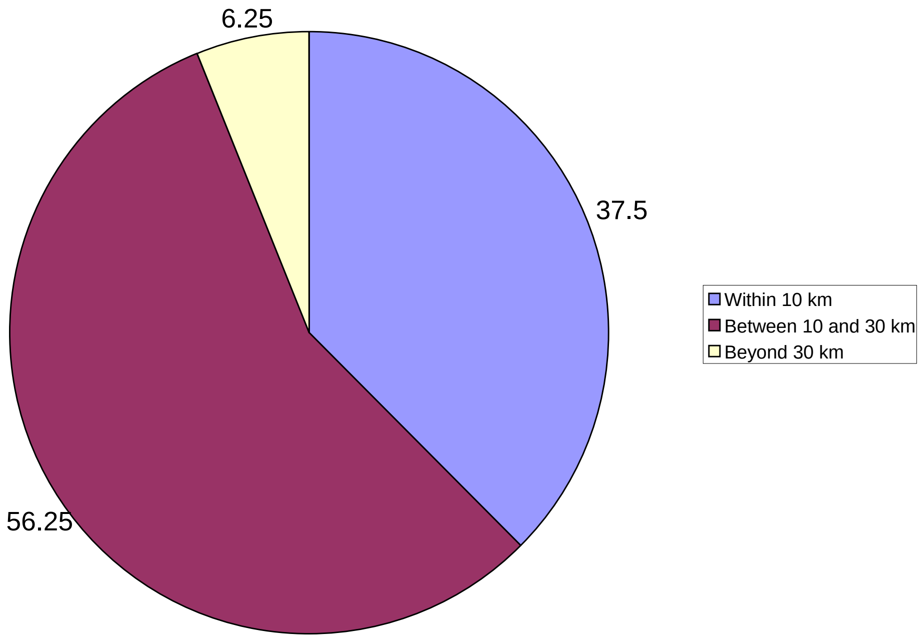


Figure 4.3 is about access to markets looking mainly at distances between projects and their markets. According to figure 4.3 above, about 56% of respondents indicated that target markets, which are served by income generating projects fall between 10 and 30 kilometres radius. Projects serving local markets with a radius of less than 10 kilometres had about 38% respondents. Other projects had markets in far away areas. The latter view was held by 6.25%.

Data sources had to respond to open ended question dealing with challenges projects faced regarding accessibility to their target markets. Responses were varied. However, transport was identified as a common problem. Below are some of the respondents' responses:

"The project was selling beads in far away places and this had a direct bearing on the profit margin"

"Individuals unable to market the project due to a lack of disposable funds that is the lack of poverty"
"Marketing, delivery vehicle, management capacity and finance"

"Transport to reach the market"
"The members experienced problems with transport especially when they have to deliver the orders for school uniform. They walk"
"Transport"

In short, transport is the major problem. Other problems include lack of delivery vehicle; long distances projects members had to walk to effect delivery of ordered goods and unavailability of funds to market the finished products as well as inadequate internal management capacity.

4.1.6 Market Linkages

There is also the issue of linkages between the income generating projects and private-public organisations. Income-generating projects are business entities. However, the origin or establishment of income-generating projects in the context of the research report has been stimulated by the public sector organisation, that is, Department of Social Development. Public-private partnerships are therefore important in achieving project self-sufficiency. Table 4.4 below provides a reflection of the respondents on the issue.

Table 4.4 indicates organisations, which are important to form business links with IGP's. Majority of respondents at 37.5% said it is important for IGP's to form links with organisations in the public sector. Respondents who preferred organisations from the private sector only constitute 31.25%. Again 31.25% of respondents said it is important for projects to form links with organisations in both the public and private sectors.

Table 4.4: Important organisation to partner with income generating projects

Question	*Private Sector Organisations*	*Public Sector Organisations*	*Both Sector Organisations*	*Total No. of Respondents*
What organisations do you think are important for income generating projects to form links with?	5	6	5	16
Percentage	31.25	37.5	31.25	100

Choosing between the two sectors without qualifying the respective choices would not be sufficient. Hence, the need for an open question to enable respondents to provide reasons fro their choices. Below are some of the reasons by respondents why partnerships between income generating projects and public / private sector organisations are important. Responses will be categorized in line with Table 4.4 above.

Private Sector Organisations Only

"T o assist projects with access to markets."

"Private sector organisations are better positioned to instil business principles and customer relations."

"Linkages with private sector entities will expose project members to capacity building relevant to running a business."

Public Sector Organisations Only

"The project still exists largely as a result of the contract from HIV/AIDS Sub-Directorate from Gauteng provincial Department of Social Development".

Importantly, respondents are mainly from the project that survived beyond the grant funding.

Both Private and Public Organisations

"Linkages will help with mentoring and business support."

"Government cannot succeed alone. Public Private Partnerships are therefore crucial in the fight against poverty."

"Linkages with the private sector are important particularly in relation to procurement, business management training, and access to markets. The public sector is important from funding perspective."

"The challenges to ensure proper markets and sustainability of projects are so big that all possibilities need to be investigated."

4.1.7 Distribution Channels

Next, the researcher explored whether income-generating projects had distribution channels, especially the impact such relationships with intermediaries had on the success or failure of the income-generating projects. Table 4.5 captures the views of the respondents on the issue of projects and their intermediaries.

Table 4.5: Projects relationship with intermediaries

Question	Direct	Through Intermediaries	Not Sure	Total No. of Respondents
Is the relationship between the project and the market direct or through intermediaries?	9	3	4	16
Percentage	56.25	18.75	25	100

Table 4.5 shows whether projects had direct or indirect link with their markets according to which 56.25% of respondents said that projects had a direct relationship with their markets. About 25% of respondents were not sure whether projects had a direct or an indirect relationship with their markets. A minority of respondents, at 18.75%, said projects access their markets through intermediaries or distribution channels. Given the design of the questionnaire, this view by minority was not probed further to determine its basis. However, the manner in which Bana Pele School Uniforms contracts are arranged could have influenced this view by 18.75% of respondents. Briefly, contracts are arranged in the following manner: Officials from the department establish the quantities needed in schools that have been identified as beneficiaries. These quantities then form part of the terms of contract between projects and the department. Since the department interacts with schools on behalf of projects, it could be seen as playing an intermediary role. Projects access their markets, i.e. schools, through the department of Social Development.

Figure 4.4: Rating of Relationships between Projects and their Intermediaries

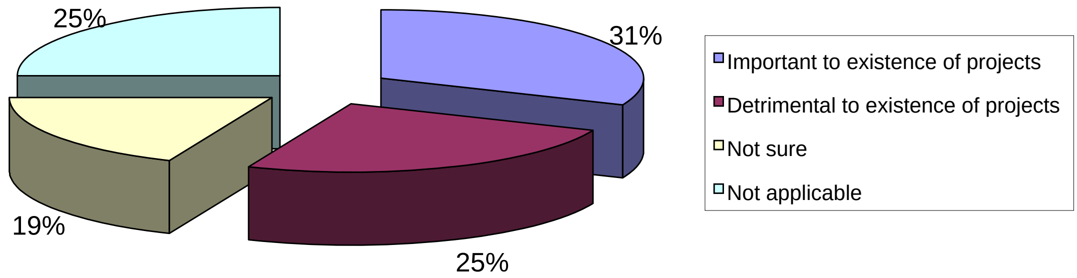


Figure 4.4 shows respondents' rating of the relationship between projects and their intermediaries. About 31% of respondents rated the relationship between projects and their intermediaries as being important to the existence of projects. About 25% of respondents said the relationship was detrimental to projects while 19% said they were not sure. About 25% said the relationship did not exist.

4.1.8. Support Organisations

Support organisations are organisations, which helped the projects in one way or the other during their life cycle.

Table 4.6: Support organisation competencies

Question	Relevant to projects' core business	Irrelevant to projects' core business	Not Sure	Total No. of Respondents
How will you rate the competencies of practitioners from support organisations?	10	5	1	16
Percentage	62.5	31.25	6.25	100

Income-generating projects are business entities. Projects should run just as any business entity would do. Their point of departure is business management. Projects' core business should be seen in the context of business management since as income generating initiatives, they operate in the same environment business entities do. Table 4.6 shows the relevance or irrelevance of competencies from support organisations' officials in relation to projects' core business. About 62.5% of respondents conceded to officials' competencies being relevant to projects core business. Those who said the competencies did not match projects core business constitute 31.25% while 6.25% of respondents are not sure whether officials' competencies were compatible with projects core business or not.

There were open questions. Some of the responses are as follows:
"The support organisations are more of welfare nature and have limited knowledge with regards to business development."

"The support is generic and almost one size fits all."

"It assisted the project to comply with predetermined specifications stated in the policy of PRP and service agreement."

"If it was not for the school uniform project, projects would not have existed."

"Projects need to be supported from one service provider to minimise confusion."

"They have relevant mentoring support structures that contributed to the sustainability of the project."

"The programme received sufficient support from support organisations of which was not fully utilised by programme beneficiaries."

There was a need to have a sense of organisations, which supported projects as well as the type of services they rendered. Responses are as summarised below:

Table 4.7: List of support organisations and type of services they rendered

Organisation	Services Rendered
Independent Development Trust	• Offer implementation support and ensure projects become sustainable entities i.e. enterprises reach break even point and make profit. • Ensure project members receive training.
Department of Social Development	• Funding of projects. • Monitoring. • Access to markets (Contract with HIV/AIDS Sub-Directorate to provide orphaned children in identified schools with uniform / school uniform tenders).
MRTT	• Training of project members.
Sediba sa Basadi (NGO)	• Funding
Dora Tamana	• Assisting project to register as cooperatives with Department of Trade and Industry.
Department of Labour	• Training on sewing and bookkeeping.

Officials and their support organisations represent external intervention. Internal capacity of projects is also considered the discussion of which follows hereunder in Figures 4.5, 4.6, and table 4.8.

4.1.9 Project Members' Capacity Building

Normally, the running of projects should be the domain of project members. Programmes aimed at reducing poverty should target the poorest segments of the population. Some of these potential beneficiaries would be running the project for the first time in their lives. Therefore, capacity building plays a major role in assisting project members to run the project. Figure 4.5 indicates whether projects members received training or not.

Figure 4.5: Training of project members

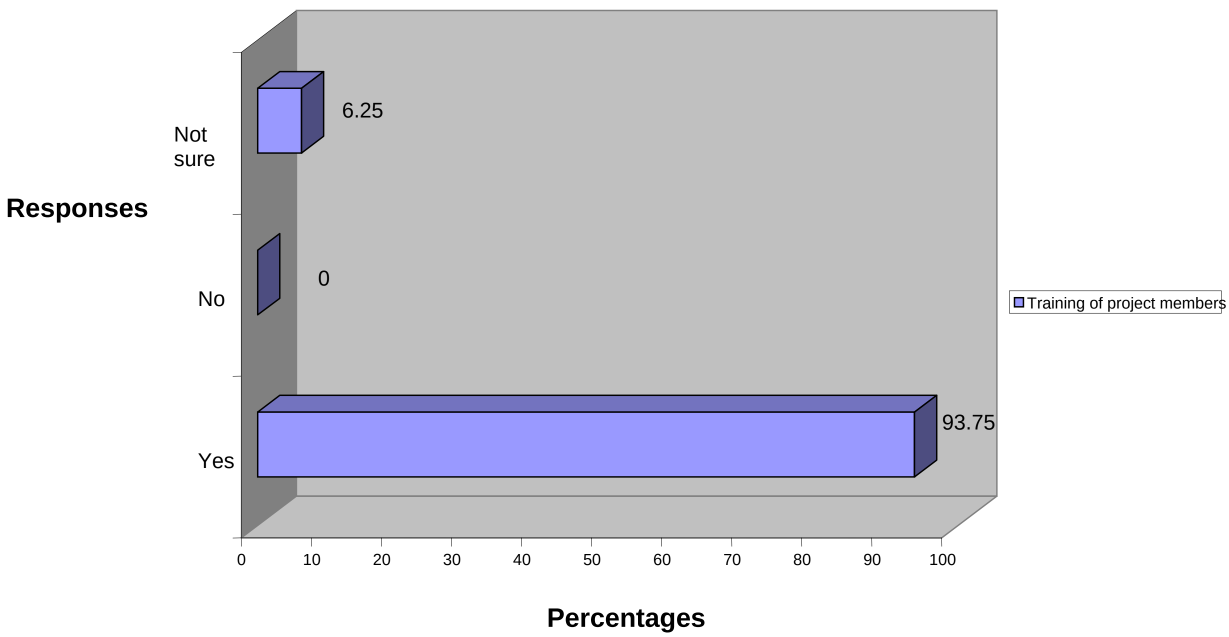


Figure 4.5 confirms whether projects members received training. Training was offered to projects beneficiaries according to 93.75% of respondents in figure 3.5 above. None of the respondents said projects members did not receive training, which consolidates the view of the majority on the matter. A tiny minority of 6.25% of respondents was not sure.

It is not enough just to know or confirm that projects members received training. It is important to identify specific types of training offered to project members. Table 4.8 will assist in clarifying the types of training projects members received.

Table 4.8: Type of training project members received

QUESTION	BUSINESS MANAGEMENT	PROJECT MANAGEMENT	BOTH	NONE	TOTAL NO. OF RESPONDENTS
Type of training received	8	0	7	1	16
Percentage	50	0	43.75	6.25	100

Table 4.8 shows the types of training projects members received during programme implementation. Projects members received training on business management. This point was confirmed by 50% of respondents, as shown in table 4.8 above. There is also a view (43.75% responses) that projects members received training on both business and project management. No respondents said projects members received training on project management only. Interestingly, some of the respondents, i.e. 6.25%, said that projects members did not receive training at all.

The last point considered under the capacity building issue looks at the impact training had on beneficiaries concerning enabling them to run their projects. Figure 4.6 below shows responses and their percentages on the impact training had on projects members.

Figure 4.6: The Impact of Training on Beneficiaries

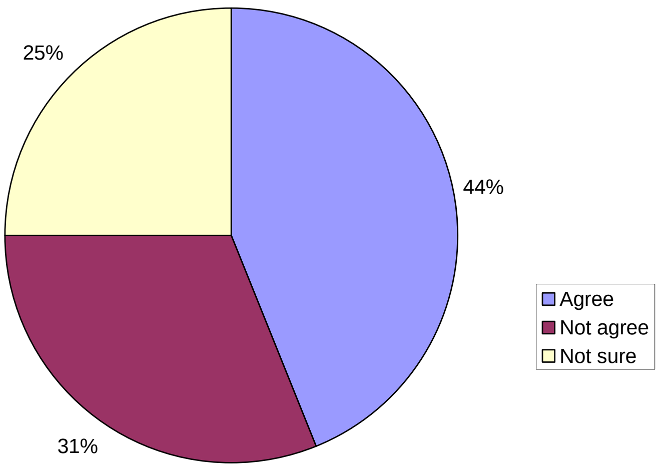


Figure 4.6 shows the impact of training according to which 44% respondents agree that it helped projects members to run their business entities better. The capacity of projects members was enhanced because of training intervention. Respondents who are not sure of the impact training had on projects members constitute 25%. Some respondents disagreed that training improved the capacities of project members. Respondents holding the latter view form 31%.

Assessment of internal projects capacity would not be complete without due consideration of institutional arrangements. Below, data is presented on institutional arrangements.

4.1.10 Institutional Arrangements

It is important to have an understanding of how projects organized themselves in order to conduct their business effectively and efficiently. Table 4.9 will assist in this regard.

Table 4.9: Projects' institutional arrangements

Question	Board of Directors	Executive Committee	Operations Management	Total No. of Respondents
What institutional arrangements do projects have?	1	14	1	16
Percentage	6.25	87.5	6.25	100

Table 4.9 shows data sources' views on types of committees prevalent in the projects. Respondents were provided with a number of options from which to choose structures prevalent in the projects. It is important at this point to differentiate between different roles of committees and people who sit in such structures.

People who are not directly benefiting from the project form the board of directors in the context of the programme. The board plays an oversight role and as such has no stake deriving benefits from the project.

The executive committee consists of project members. Generally, such people would be the founder members although additional members are not excluded from being nominated or elected to the executive committee. The primary role of the executive committee is to provide strategic direction to the project. In the context of projects the research report is looking at, the executive committee can play the strategic role and still be in charge of day-to-day operations thus negating necessity of operations management.

Depending on the size and complexity of the project, sometimes there could be operations management who is charged with the responsibility of running the day-to-day activities of the projects.

As it can be seen from table 4.9 above, the most prevalent form or organisation of management is the executive committee. The overwhelming majority of respondents (87.5%) said executive committees run or manage projects. About 6.25% of respondents said projects have board of directors. Also, about 6.25% said projects had operations management.

4.1.11 Ownership of the Project

Another dimension relating to projects' internal organisation is ownership and the structure thereof. The issue of ownership and the structure thereof is very important to the smooth running of projects. In light of the above, it was therefore critical to solicit views of respondents on this issue.

Figure 4.7: Projects' Ownership

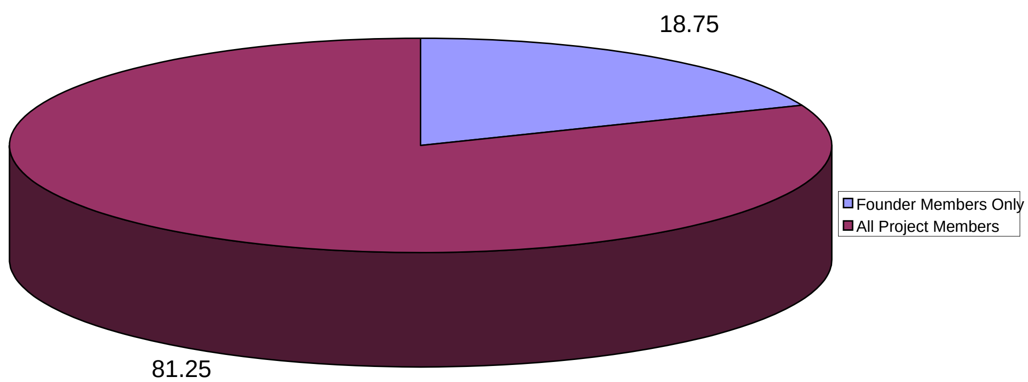


Figure 4.7 shows ownership of projects. Ownership of the projects is fairly spread among all the members, that is, according to 81.25% of the respondents in figure

3.7. Only 18.75% of the respondents said ownership of projects is limited to the founder members. The issue of ownership in projects is very clear after presentation of figure 4.7. The next logical thing is to establish whether such ownership is formalized. Do members know their exact shares in the project? Table 4.10 will provide some answers.

Table 4.10: Formal shareholding structure

	Yes	No	Not Sure	Total No. of Respondents
Is there any formal, documented shareholding structure?	2	14	0	16
Percentage	12.5	87.5	0	100

Table 4.10 reflects responses regarding formalization of shareholding structure in projects. Shareholding in projects is not formalized, according to 87.5% of respondents. A small minority of respondents comprising 12.5% believes there is formalized shareholding structure in projects.

Other open-ended questions were meant to provide the respondents with the opportunity to bring issues, which the questionnaire had not covered, but would otherwise contribute towards or inhibit success of the project.

Some of the responses on issues that are not covered by the questionnaire but would contribute towards projects success:

> "The so called community ownership is problematic when it comes to income generating projects, Projects that generate income should be supported on the basis of entrepreneurship, the entrepreneur should also be required to make a nominal contribution towards the business, the employment of people should

be on business basis which means the numbers should match the capacity and profitability of the business".

"The contract for school uniforms from the Department".

"Participation of knowledgeable and influential people from the community to give guidance and support".

Some of the issues, which are not covered by the questionnaire and would inhibit projects success:

"Dependency to government funding."

"Dependency on government support".

"Projects were identifies and selected on the strength of potential beneficiaries and not guided by market research."

"The aspect of training is not comprehensive because technical training is not mentioned. It is crucial because technical competence is central to product quality. It is important to know the payment arrangements, is it on cash basis or credit basis. Do members receive a salary, how do they share income, what is the overheads of the project, is it profitable, what is the competition, proximity in inputs, etc".

"Lack of mentorship, experience, and exposure".

"Project members prefer to work alone. Members of the defunct project were sceptical to combine resources with other projects, they refused help from officials. In the case of Buhlebethu the project signatories failed to disclose or produce list of assets bought and account on how they have spent their R500 000. The project failed to provide officials with audited financial statements and progress reports as outlined in section 11 of the grant agreement. Officials tried in vain to ensure that the project complies with requirements and due to

> self entitlement of founder members it was recommended that the project should be closed.”

The response raises two challenges namely: existence of internal problems in the project and adverse relationship between officials and the project.

> “Most of the time available markets are as poor as project members”.

> “Officials dictate to projects how they should be run”.

> Projects sell their products in a flea market type of an environment”.

> “High illiteracy rate amongst project members”.

4.2 THE FINDINGS

Finding No. 1: Officials from intervening organisations have the relevant competencies to support business-oriented projects.

As we saw in chapter two above, for Hurley (1990, p 55) and IDASA report (2003) inappropriate skills or incompetence from support organisations’ officials contribute to failure of income-generating projects. This view is actually the main argument of the research report, which states:

Inadequate capacity of the support in the area of income generation causes the failure or collapse of projects soon after funding has stopped.

Majority of respondents in table 4.6 said that in the context of the Poverty Relief Programme, officials from intervening organisations had relevant competencies to support income-generating projects. The incompetence of officials cannot be attributed to failure of the business-oriented projects. This explanation does not apply to income generating projects in Poverty Relief Programme.

However, a sizable percentage (31.25%) of respondents from the same table was of the view that people supported income-generating projects in Poverty Relief Programme with skills not suited to business development.

Presenting the two opposing views is important because it raises the possibility that some of the projects had been exposed to irrelevant business support. The success rate of such projects would be greatly reduced.

Nonetheless, it is important to respect the view of majority of respondents according to which officials possessed relevant competencies. While the success rate in the programme with regard to business-oriented projects is limited, it would seem from the majority of respondents that officials' competence was not questionable. It is only logical that organisations, which offer implementation support, should have their officials competencies assessed to ensure compatibility with projects requirements. In this way a dissenting view which was raised by 31, 25% of respondents as discussed earlier would be reduced if not alleviated.

Appropriate business competencies from support organizations will increase the success rate of income generating projects. It is therefore imperative to match the competencies of officials with the support requirements of the Income Generating Projects to optimize their success rate.

Finding No. 2: The Poverty Relief Programme targeted unemployed women, the youth, and the disabled. Priority was given to women who were breadwinners in their households.

Targeting of beneficiaries was based on policy. Programme policy guided targeting of correct beneficiaries, i.e. unskilled women, youth and people with disabilities. Priority was given to women-headed households or women who were breadwinners.

The correct target group would be people who live below the poverty line. In South Africa, such people would be having an income level of less than R322.00

per annum according to a discussion document on Macro-Social Trends in South Africa (2006).

All projects members in table 4.2 were unemployed and had no income before their participation in the programme. Projects members were thus living below poverty line.

At issue here is targeting of appropriate groups and the impact thereof on success or failure of business-oriented projects. Respondents who were interviewed from the two areas of the case study confirmed their condition before they joined the programme. Given their condition of relative poverty, they will seize any opportunity that is afforded them to improve their lives. A constraint could rather be limited business management skills, which issue would be discussed later on in the discussion.

None of projects members was living above the bread line. Targeting of people above bread line would have been incorrect and given their condition would not take the project seriously leading to failure of the project. Beneficiary targeting in the case of Poverty Relief Programme cannot contribute to project failure.

Finding No. 3: Market survey was not conducted prior to programme implementation.

The purpose of the market survey is to assist those in charge of the programme planning stage to identify attractive markets early on during the intervention as Greenhalgh (2003) asserted in the literature review. By extension, it is important to determine the demand for different products or services in different locations or regions. The emphasis here is on the timing of market identification. Identification of the market should precede commencement of project or programme implementation. According to Greenhalgh (2003), this will ensure the interventions, which in this case would be Income Generation Projects, become demand driven.

Market survey was not conducted before programme implementation. Majority of respondents (68.75%) in figure 3.1 confirmed this point. Further confirming the view of the absence of market research study is a response to an open question:

"Projects were identified and selected on the strength of potential beneficiaries and not guided by market research"

What majority of respondents and the above statement say is that projects' business activities i.e. sewing, beads making, detergents production were not informed by the identified market demand.

It follows then that business-oriented projects in Poverty Relief Programme were not demand driven. Timing of market identification was not in line with what theory proposes that it be done early on in the intervention. Therefore, lack of market survey and commencement of programme implementation without having identified the target market could be linked to the demise or failure of IGP's.

However, not a single factor could be attributed to projects' success or failure. It is rather a combination of factors and their interaction, which ultimately will determine the success, or failure of income generating projects. This point will be dealt with in more detail later on in the discussion.

Finding No. 4: Projects had specific target markets.

Despite the fact that no market research study was done, projects had targeted markets. This issue was confirmed by 75% of respondents in figure 4.2 including both project members and officials. The finding may be somewhat contrary to expectations. In the absence of the market research study one would expect projects to have trouble in securing markets.

Majority of respondents on this issue were highly influenced by the Bana Pele school uniforms production contract the department of Social Development has with the projects. The schools where orphaned children were identified as beneficiaries of school uniforms, served as the target market. The department played enabling or facilitative role in securing a steady market for projects. This rare opportunity is appreciated. The challenge is for how long the department will sustain this opportunity. Does a target market exist beyond the contract with the department? Is the target market limited only to school uniforms contract?

There is also a view to the contrary regarding availability of target markets which according to figure 4.2 is represented by 18.75% of respondents. A few of the responses solicited by means of open questions corroborate the view the minority holds on the matter. Below are some of the responses:

> "Most of the time available markets are as poor as project members".
> "Projects sell their products in a flea market type of an environment".
> "Dependency on government support".

The first two responses confirm availability of what could be referred as an open market; selling directly to the public or community members. Unlike the target market, the open or flea market is not predictable and producing for such a market would not guarantee high product sales. There is no stability on the open market as opposed to the target market where production is linked to pre-determined quantities. The first response could be interpreted to be alluding to low sales rate given the nature of the open market.

Such unpredictable open market would not contribute much to projects profitability and thus success. The last response is a bit general but in relation to the target market, the caution could be what would happen to projects should contracts to produce school uniforms not be renewed. While the role of government in creating access to target market is commendable, there should be some precautionary measures to guard against dependency syndrome on the part of projects.

The need for separating target and open market at concept level is critical to ensure a common understanding on the issue, but more importantly how each contributes to projects sustainability or self-sufficiency. In the case of PRP availability of the target market to produce pre-determined quantities of school uniforms confirmed by 75% of respondents in figure 4.2, ensures income-generating projects become demand driven. Pre-determined quantities projects had to produce assist in bringing about stability within otherwise a volatile environment i.e. market environment.

Even though the target market discussed here refers to contracts limited to one government department, its availability should be seen as the first step towards projects sustainability.

Finding No. 5: Projects have business links with public sector.

Another fascinating issue is that income-generating projects are preferred to have business links with public than private or business organisations according to 37.5% of respondents in table 4.4. The percentage of respondents in favour of links with the public sector organisations would even be more when respondents who prefer links with both private and public sector organisations (31.25%) are considered. Like it was said in the previous discussion, this view might have been influenced by existence of the target market linked to production of school uniform.

Nonetheless, discussion on market linkages in the literature review does not place any importance on the distinction of the public and private organisations. The emphasis is on the need for acquiring external market in the case where local markets are limited or not sufficient to sustain the business (Greenhalgh 2003). Market linkages in light of Greenhalgh understanding, are critical in broadening the business' market base beyond what is available locally.

Figure 4.3 shows projects had markets well beyond the 10-kilometre radius. The following response also confirms that project did have markets in far away areas: "The project was selling beads in far away places and this had a direct bearing on the profit margins." Some of the schools projects had to provide with uniform were not in the same communities as the projects. It is clear projects had linkages with external markets but just how sustainable were they did not come out from the presentation. The latter may raise questions about a number of variables like the size of the external market and its ability to support profitability and subsequently sustainability of the IGP's.

The response above could be interpreted as suggesting that external markets projects had were not sufficient to sustain it. The latter conclusion is reached with full understanding of the value of contracts projects had with DSD as per annexure 2. The contract did not indicate the size of external market.

Finding No. 6: Existence of unhealthy, antagonistic relationship between projects and intermediaries

According to majority of respondents (56.25%) in table 4.5 projects were not linked to their markets through intermediaries. The impression is that no exploitative relationship akin to what Hurley (1990: p 77) refers to existed.

In table 3.5 we saw that only 18.75% representing a minority of respondents agree to existence of intermediary relationship between projects and their market. Intermediary relationship would be limited to the department as discussed during presentation of data. It was indicated earlier in the discussion that the department played a major role in facilitating access to targeted markets like is the case with a contract to provide school uniform. The department is seen in this context as having an intermediary relationship with projects.

However, stating that a relationship did or did not exist without some qualification is not sufficient. Figure 3.4 provides the rating of intermediary relationship with projects according to which 25% of respondents rate same as detrimental to existence of projects. The view that all was not well between projects and their intermediaries are confirmed by responses, which suggested projects were not cooperative. Buhle Bethu was cited as one such project. On the other hand, some of the responses indicated displeasure about the officials intervention for example "officials dictate to projects how they should be run".

It is clear from presentation of data that in some cases the relationship between projects and officials was riddled with conflicts. This finding is close to some of what Hurley refers to as exploitative relationship between projects and their intermediaries. Hurley (1990: p 77) sees distribution channels as non-financial constraints which take place in the form of intermediaries. As a constraint, intermediaries do not play a supportive role to projects.

Similarly, in the case where the relationship between projects and officials is somewhat unhealthy, conflict ridden, officials are likely not to be as supportive as they should be. It is apparent under what seems to be antagonistic relationship between projects and officials or intermediaries very little or no success would be achieved. Healthy relations will encourage high success rate while the opposite leads to project failure.

Finding No. 7: Project members were provided with training.

Project members were provided with training. The view was supported by 93.75% of respondents in figure 4.5. There was no voice to the contrary. Having established that training did take place what remains is types and its impact on project members.

More than 50% of respondents (when considering 43.75% of those who are not sure in table 3.8) confirmed that projects members received training on business management. In terms of figure 3.6, 44% agree training had the desired impact i.e. improvement of projects members' capacity to run their business better.

During discussion of poverty and intervention strategies in the literature review, two points came out quite strongly which link up with presented data. The one issue with Lok-Dessallien (2004) as the main proponent, related to the move from considering income as the only basis for addressing poverty to incorporation of human capacity matters. Training plays a central role in empowerment of the previously disadvantaged. The World Bank Report (2000/2001) recognised this important issue that human capacities of poor people remains critical in poverty reduction effort.

Both Lok-Dessallien (2004) and the World Bank (2000,2001) recognise the impact capacity building interventions like training may have on the lives of poor people. It was said earlier that majority of respondents confirmed that training project members received in Poverty Relief Programme improved their capacities to run their business better. Either enhanced capacities of project members achieved through training or any other means of capacity building increase the chances of projects success.

Finding No. 8: No systemic approach to programme planning and implementation

Market survey was not conducted prior to programme implementation. It was also established that projects had, with the assistance of DSD, target markets, which probably were identified during implementation. The two issues illustrate how DSD and IDT dealt with planning and implementation of IGP's. Markets were stumbled upon; they were dealt with as an after thought.

Dealing holistically with supply chain elements as discussed during literature review encourages systemic programme planning. According to Greenhalgh (2003), enterprise development should be handled systemically starting with the demand and move backwards. All variables in the supply chain, i.e. markets, production and inputs, should receive due consideration for any business entity to survive in the private sector environment. Systemic approach to enterprise development in the context of PRP was evidently absent. The latter is likely to contribute towards failure of IGP's.

Finding No. 9: Absence of formal shareholding structure

A formal documented shareholding structure forms part of the basis for avoidance of internal conflict in business entities. The issue did not come out strongly in the literature review. Again, there was no concrete evidence on how the absence of formalisation of shareholding could contribute to success or failure or IGP's during presentation of data.

However, this issue requires attention given the potential it has to undermine projects’ success. Dominant, especially founder members of the projects may take advantage of its absence and siphon whatever little profits there are to themselves. Such a situation may result in tensions and reduced commitment from weaker project members and subsequently adverse effect on the very existence of projects.

Finding No. 10: Existence of internal project dynamics

Existence of internal dynamics within projects was not discussed under literature review. The issue was never raised. However, it came out quite strongly during presentation of data. Some of the responses to open questions were to the effect that project members refused to account on the funds they received, progress reports were not submitted to officials, founder members felt entitled to run the project as they wished. Projects members also refused to work with other projects; they could not share resources with others.

The above discussion points to some kind of self-contained entity, a closed system which is not open to interaction with the external environment. It is not clear where the problems originated from projects, which reportedly had accountability challenges. Whether problems are external and upset the internal and vice versa it is not really known. What is clear, though, is the fact that the interaction between external support and projects fraught with internal challenges would be difficult. Internal problems within projects may cause projects failure.

4.3 CONCLUSION

The presentation followed the format of the interview tool i.e. the questionnaire. Data relating to closed questions was presented in the form of tables which are followed by a brief discussion. Responses from open questions are presented as said by respondents without venturing into analysis.

Discussion of presentation of data was categorised into eight main themes which are:

- Project beneficiaries: This particular theme is discussed from two perspectives. The first perspective presents data from officials looking mainly at beneficiary targeting from policy point of view.

  The second perspective is presentation of data from project members with their income condition as the primary focus.

- Markets research study: To establish whether the study was undertaken prior to programme implementation. Also important was to determine whether such study if conducted had any influence on the choice of projects' business activities. Closely related to issues of the market study and its influence on projects activities is availability of the target market.

- Market linkages: To establish organisations with which projects had a business relationship.

- Distribution channels: To determine whether projects had access to their markets directly or through intermediaries. In the case intermediaries existed, what quality of relationship they had with projects. The critical issue here is the impact of the relationship between projects and their intermediaries.

- Support organisation: To establish a list of such support organisations, types of services they actually rendered and the value add of the services rendered. Competencies of officials as people who interact with project members were also considered in terms of their relevance to projects' core business.

- Projects' Internal Capacity: To establish capacity building interventions aimed at enhancing the skills capacity of project members.

- Institutional Arrangements: To look at different organizational forms projects organized themselves into.

- Ownership of Projects: To establish whether this issue was considered and if so, how does that assist in minimizing internal conflicts.

The last section is a discussion of the preliminary findings which flow directly from the themes which are stated above. There is no attempt here to link the findings with factors contributing to failure and success of projects. Such direct relationship between findings and success and failure factors would be done in chapter five which follows hereunder.

CHAPTER V

ANALYSIS AND INTEPRETATION OF KEY FINDINGS

The thrust of this chapter is analysis and interpretation of the key findings. Only six from a total of ten findings would be discussed. Unlike in the previous chapter, discussion of the findings would be inclined towards factors leading to success or failure of income generating projects.

5.1. ANALYSIS OF KEY FINDINGS

Finding No. 1: Officials from intervening organisations have relevant competencies to support business oriented projects.

According to IDASA report (2003), incompetences or inappropriate skills of officials from intervening organisations in the area of income generation will lead to the failure of projects. It is logical therefore, that relevant business skills will promote self sufficiency of income generating projects and subsequently their sustainability.

In light of the finding, that officials had relevant skills to support income generating projects, one would expect high success rate of the projects. Reality is only about 10% and less of income generating projects still exist. Many of the projects did not reach the point of self-sufficiency despite the relevance of the skills from officials who supported them.

The researcher's interpretation based on the discussion above is that failure of majority of income generating projects (about 90%) in the Poverty Relief Programme could not have been the result of irrelevant skills from support organisations' officials.

Finding No. 3: Market survey was not conducted prior to programme implementation.

Greenhalgh (2003) emphasises conducting of market survey before implementation of the programme. Programme planning and subsequently implementation, should flow from market research study. Market research study determines the demand which in turn should inform development practitioners of the type of income generation projects that could be established (Greenhalgh: 2003).

No market research was conducted before implementation of Poverty Relief Programme. The choice of business oriented projects in the programme was not guided by market survey. It is no surprise; therefore, that only about 10% of the income generating projects still exists and do so without further funding from donors or government agencies. The absence of market survey prior to implementation of Poverty Relief Programme may, in view of theory, have had a direct bearing on the failure of business oriented projects.

Finding No. 4: Projects had target markets

According to theory in chapter two, availability of markets ensures projects sustainability especially when identified early on during the intervention (Greenhalgh: 2003). It is a good thing to see that about 75% of respondents in figure 4.2 confirmed availability of markets in line with theory.

However, it was noted in the discussion above that a market research study was not conducted prior to implementation of Poverty Relief Programme. Therefore, markets, which about 75% of respondents said existed, could have been identified early enough to ensure higher success rate of projects. It could be interpreted that markets were identified during implementation of the programme as a response to a high rate of projects' failure. Timing of identification of the markets was completely out of line with theory as Greenhalgh (2003) asserted during literature review.

Despite the timing of available markets which was done during programme implementation, existence of markets, as evidenced by those served by about 10% of projects that still exist, leads to successful business oriented projects

Finding No. 7: Project members were provided with training

According to figure 4.5 in chapter IV, about 94% of respondents said projects members received training. Again about 50% of respondents confirmed training received to have covered business management. Fourty four percent of respondents in figure 4.6 attest to the fact that training had the desired effect i.e. assisting members to run their projects better.

It is clear from statistics on training above that projects members' capacity was enhanced. Improvement of human capacity, according to World Bank Report (2000/2001), is critical to successful implementation of development projects. Therefore, failure of about 90% of income generating projects in Poverty Relief Programme cannot be ascribed to lack of appropriate competencies among members of the projects. About 10% of projects still exiting would not do so if training had no positive impact on the members. It can be concluded, therefore, that training contributes to projects' success.

Finding No. 8: No systems approach to programme planning and implementation

The absence of market research study already suggests Poverty Relief Programme planning and implementation were not dealt with in a systematic manner. The latter point is contrary to theory according to which enterprise development had to be handled systematically (Greenhalgh: 2003). All critical elements regarding enterprise development like markets, production processes and inputs supply need to be identified and dealt with prior to projects implementation.

Creating income generating projects from the supply side and later search for markets leads to failure of these good intentioned initiatives. Markets as discussed earlier should be identified before project implementation. Available markets will then inform the type and organisation including production processes of small enterprises to be created. In turn both markets and production processes will guide in terms of which input suppliers the enterprise can use. Such holistic approach to enterprise development will lead to successful income generation projects.

The absence of holistic approach to enterprise development in Poverty Relief Programme contributed to failure of about 90% of business oriented projects.

Finding No. 10: Existence of internal dynamics

The discussion of the issue in chapter IV, pointed out to existence of accountability problems. Members of the defunct project which was part of the case study, refused to account for the funds they received. Little or no progress reports were submitted to officials. All these were signs of existence of internal dynamics which worked against the success of the project.

Cusworth and Franks (1993) raised the issue of internal factors as one among many which could lead to failure of the projects during their implementation stage. While their discussion centred mainly on capacity building, internal factors will cover other issues as well. In the context of our discussion, lack of accountability was raised as one of the internal factors during presentation of data. It seems lack of accountability would lead to project failure if not addressed in time.

5.2 CONCLUSION

The thrust of the discussion in this chapter is a link between factors leading to success and failure of projects with the six major findings. Also critical is the relationship of data presented in chapter VI and theory as discussed under literature review in chapter II.

The following chapter will conclude the research report and thus focus attention on recommendations.

CHAPTER VI

CONCLUSION AND RECOMMENDATIONS

Enterprise development in South Africa, as driven from the social perspectives has generally not been successful. It would be helpful, therefore, to borrow some of the private sector tools like conducting of MRS and dealing with supply chain models in a more holistic manner. No single factor will contribute towards success or failure of IGP's. A collective of factors and their interaction with each other will.

Appropriate mixtures of relevant competencies by officials, identification of enterprises informed by MRS, relevant business management training to project beneficiaries and healthy relations between projects and support organisations will serve as a good starting point for achieving projects' success. Similarly, lack of accountability on the part of project beneficiaries, unhealthy business relations between projects and officials, irrelevant business competencies from support organisations among others will result in failure of projects.

6.1 HIGHLIGHT OF MAJOR FINDINGS

Markets survey

It was found that market survey was not done prior to implementation of the Poverty Relief Programme. It is not clear what informed identification of business types different income generation projects undertook. Nonetheless, it would be important for similar programmes in future to learn from the short comings of the programme. One such learning experience should the need for market survey before attempting to introduce business entities into the private sector environment which by nature volatile and ruthless. Well intended projects may fail during their implementation if the programme planning stage is not given adequate attention.

Systems approach to enterprise development planning

Integration of inter linking systems is important to ensure successful project implementation (Greenhalgh: 2003). There was no evidence of integration of all systems necessary for enterprise development in the Poverty Relief Programme. Input supply, production processes, markets and distribution channels are key systems in enterprise development and should be accorded the necessary attention during programme planning stage.

Linkages with the public / private sectors

Projects in Poverty Relief Programme were found to have had links with the public sector organisation than it is the case with organisation in the private sector. Enterprise development, despite it being initiated from the social development environment should be linked to private sector organisations.

Capacity building of projects beneficiaries

The finding confirmed training took place and beneficiaries were as a result enabled to run their projects better. Training of beneficiaries in any intervention should remain a priority. Empowering the poor will reduce their dependence on external support. Self sufficiency on the side of beneficiaries should be key driver of any training intervention.

Competencies of support organisations

Competencies of officials from support organisations were found to be relevant. Such a finding is encouraging especially in light of scarcity of appropriate skills mix for supporting income generation projects.

6.2 PROBLEMS OF ANALYSIS AND INTERPRETATION

The only data analysis problem experienced relates to Univariate method of analysis. Cases do not make any sense when analysed as they are or on their own; for example: In table 6.1 below, the number 14 on its own does not mean much. It is only after establishing the basis for assessing the number by determining the percentage of the number 14 in relation to the total number of elements that a meaningful analysis could be made (Barbie and Mouton: 2001). In the table below, 87.5% of respondents said the executive committee is the most preferred form of leadership in projects.

Table 6.1: Projects' institutional arrangements

Question	**Board of Directors**	**Executive Committee**	**Operations Management**	**Total No. of Respondents**
What institutional arrangements do projects have?	1	14	1	16
Percentage	6.25	87.5	6.25	100

6.3 RECOMMENDATIONS

These recommendations are meant to assist development practitioners in the area of enterprise development to deal with IGP's in a manner that would optimize success.

6.3.1 Market survey

A programme that is aimed at introducing new business entities into the private sector environment should have MRS as its point of departure. A similar study in the social environment would be regional economic profile. Such studies would inform development planners about business opportunities within a specific location.

The economic strength of the area should provide a sound starting point to business identification. Opportunities identified in the study would guide in terms of what business types would be viable and need to be ventured into with high probabilities of success. At this stage, the issue of market linkages could be given the necessary attention. Applying the holistic business development approach, say a demand for a specific product exists in Tshwane Metropolitan Municipality while production expertise is located in Bronkhorstpruit under Metsweding District Municipality. Following such identification of opportunities in the MRS during the planning stage, production capacity in one geographic area could be linked to the demand, which rests in another area. Therefore, the need for MRS cannot be over looked. It becomes a necessity when the aim of the programme is to establishment new business entities.

6.3.2 Systemic Approach to Enterprise Development

The second recommendation relates to the need for systemic approach to enterprise development. Systemic approach in my view is a logical step that follows and at the same time forms an integral part of MRC. Inputs, production and markets systems which ought be some of the deliverables resulting from MRC, should be seen holistically on the one hand while on the other hand the three need due consideration separately. Such an approach would ensure integration and linking of inter-related activities during the planning phase of the programme and hence minimise problems during implementation.

The same example of market linkages discussed above while dealing with the need for MRC, still applies here. Without application of systemic approach, integrating all related components of enterprise development i.e. linking markets in one geographic location and production capacity in the other would not be possible. Systemic approach should be applied when dealing with the results of market research study.

6.3.3 Linkages with the public / private sectors

A more deliberate effort should be taken to ensure links between IGP’s and the private sector organisations. Government can, through their departments, facilitate initial markets by means of targeted procurement. The latter should serve as the means towards the end, which in this case would be sizable contracts in the market environment or private sector. The two recommendations discussed previously i.e. MRS and systemic approach should serve as the base to move towards achieving secure private sector contracts.

6.3.4 Capacity Building of Beneficiaries

Training of beneficiaries should be specific to meeting the business requirements of established enterprises. Generic training modules like bookkeeping may not be sufficient. Specific attention needs to be given to product quality, pricing, securing, and sustaining new markets, profitability or break-even point and appropriate internal business organisation. Profitability of the entity remains critical to understanding business management by project beneficiaries. Failure to make profit will simply eliminate the business entity from the private sector environment.

In the case of a country like South Africa, issues of voice are important; however, in the context of enterprise development they should be secondary. Projects beneficiaries need the support to have a voice but unfortunately, this will not ensure successful running of the business. Technical competencies need to be prioritised and then buttressed by capacity building interventions that will help beneficiaries participate within the broader community on matters that go beyond business management.

6.3.5 Competencies of Support Organisations

Appropriate business support competencies should be given priority. It is only when there are no organisations, which can offer support in enterprise development that others with generic facilitative skills could be engaged. The basis of deploying or seconding the official from the support organisation should be compatibility of competencies with terms of reference which have to be fulfilled or need to be delivered in this case, establishment and subsequently sustainability of business entities.

6.3.6 Further Research work

Currently very little literature exists regarding enterprise development, which is driven or stimulated from the social development perspective. Further research is recommended on the area especially in light of the current impetus in South Africa towards cooperative development as a means of addressing challenges of poverty in the second economy. To make any impact with regard to creation of job opportunities thereby reducing unemployment through enterprise or cooperative development, more information is needed and one of the ways to assist the process would be through research.

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APPENDIX

Appendix 1: List of funded income generating projects

Status	Location / Area	Grant Approved Per Financial Year						Total Grant Amounts
		1998/99	1999/00	2000/2001	2001/2002	2002/2003	2003/2004	
& &	Munsiville	R 0.00	R 0.00	R 0.00	R 0.00	R 170,000.00	R 250,000.00	R 420,000.00
# # #	Germiston	R 0.00	R 0.00	R 0.00	R 50,000.00	R 125,000.00	R 75,000.00	R 250,000.00
& & @@@	**Zithobeni**	**R 0.00**	**R 0.00**	**R 0.00**	**R 100,000.00**	**R 250,000.00**	**R 150,000.00**	**R 500,000.00**
# # # @@@	**Bophelong / Vanderbijlpark**	**R 0.00**	**R 0.00**	**R 0.00**	**R 100,000.00**	**R 250,000.00**	**R 150,000.00**	**R 500,000.00**
# # #	SOWETO (Dube)	R 0.00	R 0.00	R 0.00	R 100,000.00	R 250,000.00	R 150,000.00	R 500,000.00
& &	Newtown	R 0.00	R 0.00	R 104,000.00	R 0.00	R 0.00	R 0.00	R 104,000.00
& &	Duduza	R 0.00	R 0.00	R 150,000.00	R 0.00	R 0.00	R 0.00	R 150,000.00
& &	Westonaria	R 0.00	R 0.00	R 60,700.00	R 0.00	R 0.00	R 0.00	R 60,700.00

& &	Zandspruit	R 0.00	R 0.00	R 140,500.00	R 0.00	R 0.00	R 0.00	R 140,500.00
& &	Daveyton	R 0.00	R 0.00	R 150,000.00	R 0.00	R 0.00	R 0.00	R 150,000.00
& &	Daveyton	R 0.00	R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Bronkhorspruit	R 0.00	R 0.00	R 231,000.00	R 0.00	R 0.00	R 0.00	R 231,000.00
& &	Daveyton	R 0.00	R 0.00	R 300,000.00	R 0.00	R 0.00	R 0.00	R 300,000.00
& &	Bapsfontein	R 0.00	R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Cullinan	R 0.00	R 0.00	R 200,000.00	R 0.00	R 0.00	R 0.00	R 200,000.00
& &	Bapsfontein	R 0.00	R 0.00	R 140,000.00	R 0.00	R 0.00	R 0.00	R 140,000.00
& &	Bronkhorspruit	R 0.00	R 0.00	R 350,000.00	R 0.00	R 0.00	R 0.00	R 350,000.00
& &	Brixton	R 0.00	R 0.00	R 280,000.00	R 0.00	R 0.00	R 0.00	R 280,000.00
& &	Brakpan	R 0.00	R 0.00	R 500,000.00	R 0.00	R 0.00	R 0.00	R 500,000.00
& &	Bapsfontein	R 0.00	R 0.00	R 370,000.00	R 0.00	R 0.00	R 0.00	R 370,000.00

& &	Soshanguve	R 0.00	R 0.00	R 250,000.00	R 0.00	R 0.00	R 0.00	R 250,000.00
& &	Zuurbekom	R 0.00	R 0.00	R 200,000.00	R 0.00	R 0.00	R 0.00	R 200,000.00
& &	Zuurbekom	R 0.00	R 0.00	R 23,000.00	R 0.00	R 0.00	R 0.00	R 23,000.00
& &	Kammanskraal	R 0.00	R 0.00	R 140,000.00	R 0.00	R 0.00	R 0.00	R 140,000.00
& &	Daveyton	R 0.00	R 0.00	R 500,000.00	R 0.00	R 0.00	R 0.00	R 500,000.00
& &	Hammanskraal	R 0.00	R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Benoni West	R 0.00	R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Hammanskraal	R 0.00	R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Bekkersdal	R 0.00	R 0.00	R 50,000.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Arcadia (Pretoria)	R 0.00	R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Vanderbijlpark	R 0.00	R 0.00	R 205,000.00	R 0.00	R 0.00	R 0.00	R 205,000.00
& &	Sebokeng	R 0.00	R 0.00	R 460,800.00	R 0.00	R 0.00	R 0.00	R 460,800.00

& &	Zithobeni	R 0.00	R 0.00	R 285,000.00	R 0.00	R 0.00	R 0.00	R 285,000.00
& &	Onverwarcht (Cullinan)	R 0.00	R 0.00	R 90,000.00	R 0.00	R 0.00	R 0.00	R 90,000.00
& &	Soshanguve	R 25,000.00	R 0.00	R 90,000.00	R 0.00	R 0.00	R 0.00	R 115,000.00
& &	Sebokeng	R 0.00	R 0.00	R 256,350.00	R 0.00	R 0.00	R 0.00	R 256,350.00
& &	Hilbrow	R 0.00	R 0.00	R 77,500.00	R 0.00	R 0.00	R 0.00	R 77,500.00
& &	Carltonville (Khutsong)	R 0.00	R 0.00	R 114,000.00	R 0.00	R 0.00	R 0.00	R 114,000.00
& &	Florida North	R 0.00	R 0.00	R 125,200.00	R 0.00	R 0.00	R 0.00	R 125,200.00
& &	Zithobeni	R 0.00	R 0.00	R 50,000.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Grasmere	R 0.00	R 0.00	R 173,400.00	R 0.00	R 0.00	R 0.00	R 173,400.00
& &	Actonville	R 0.00	R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Johannesburg (CBD)	R 0.00	R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 100,000.00

& &	Orange Farm	R 0.00	R 0.00	R 150,000.00	R 0.00	R 0.00	R 0.00	R 150,000.00
& &	Orlando West	R 0.00	R 0.00	R 80,000.00	R 0.00	R 0.00	R 0.00	R 80,000.00
& &	Daveyton	R 0.00	R 0.00	R 73,000.00	R 0.00	R 0.00	R 0.00	R 73,000.00
& &	Sebokeng	R 0.00	R 0.00	R 50,000.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Duduza	R 0.00	R 0.00	R 145,000.00	R 0.00	R 0.00	R 0.00	R 145,000.00
& &	Orlando East	R 0.00	R 0.00	R 320,000.00	R 0.00	R 0.00	R 0.00	R 320,000.00
& &	Springs (Kwa-Thema)	R 0.00	R 0.00	R 200,000.00	R 0.00	R 0.00	R 0.00	R 200,000.00
& &	Grasmere	R 0.00	R 0.00	R 40,000.00	R 0.00	R 0.00	R 0.00	R 40,000.00
& &	Westonaria	R 0.00	R 0.00	R 66,000.00	R 0.00	R 0.00	R 0.00	R 66,000.00
& &	Kagiso	R 0.00	R 0.00	R 140,000.00	R 0.00	R 0.00	R 0.00	R 140,000.00
& &	Muldersdrift	R 0.00	R 0.00	R 207,500.00	R 0.00	R 0.00	R 0.00	R 207,500.00
& &	Orange Farm	R 0.00	R 0.00	R 114,000.00	R 0.00	R 0.00	R 0.00	R 114,000.00

& &	Bekkersdal	R 0.00	R 0.00	R 83,000.00	R 0.00	R 0.00	R 0.00	R 83,000.00
& &	Nigel	R 0.00	R 120,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 120,000.00
& &	Germiston	R 0.00	R 60,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 60,000.00
& &	Danville (Pretoria West)	R 0.00	R 20,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 20,000.00
& &	Soshanguve	R 0.00	R 70,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 70,000.00
& &	Arcadia (Pretoria)	R 0.00	R 80,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 80,000.00
& &	Zithobeni	R 0.00	R 70,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 70,000.00
& &		R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &		R 0.00	R 100,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 100,000.00

& &		R 300,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 300,000.00
& &	Soshanguve	R 30,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 30,000.00
& &	Mamelodi	R 20,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 20,000.00
& &	Lenasia	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Diepkloof	R 20,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 20,000.00
& &	Hilbrow	R 40,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 40,000.00
& &		R 150,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 150,000.00
& &	Kagiso	R 200,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 200,000.00
& &	Sebokeng	R 125,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 125,000.00
& &		R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Vosloorus	R 150,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 150,000.00

& &	Kagiso	R 200,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 200,000.00
& &		R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Vosloorus	R 150,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 150,000.00
& &	Ratanda	R 100,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Johannesburg (CBD)	R 40,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 40,000.00
& &	Mamelodi	R 40,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 40,000.00
& &	Bekkersdal	R 165,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 165,000.00
& &	Vanderbijlpark	R 60,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 60,000.00
& &	Lenasia	R 100,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Katlehong	R 100,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Benoni	R 200,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 200,000.00
& &	Springs (Kwa-Thema)	R 100,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 100,000.00

& &	Mamelodi	R 70,560.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 70,560.00
& &	Randfontein	R 100,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 100,000.00
& &	Zimbekam	R 45,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 45,000.00
& &	Germiston	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Palmridge	R 80,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 80,000.00
& &	Brakpan/Tsakane	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Germiston	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Reiger Park (Boksburg)	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Katlehong	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Wattville (Benoni)	R 20,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 20,000.00
& &	Mamelodi	R 103,667.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 103,667.00
& &	Sebokeng	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Soweto	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Germiston	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00

& &		R 144,840.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 144,840.00
& &	Randfontein	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Orange Farm	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &		R 80,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 80,000.00
& &	Johannesburg (CBD)	R 50,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 50,000.00
& &	Carletonville	R 150,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 150,000.00
& &	Impumelelo (Devon)	R 90,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 90,000.00
& &	Reiger Park (Boksburg)	R 90,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 90,000.00
& &	Tembisa	R 116,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 116,000.00
& &		R 20,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 20,000.00
& &	Pretoria	R 30,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 30,000.00
& &		R 8,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 8,000.00

& &	Bronkhorspruit	R 55,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 55,000.00
& &		R 32,500.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 32,500.00
		R 4,250,567.00	R 620,000.00	R 8,534,950.00	R 350,000.00	R 1,045,000.00	R 775,000.00	R 15,575,517.00

Footnote:

Existing Projects ###

Defunct Projects &&&

Case Study Projects @@@

Appendix 2: Income Statement of Bophelong Project

Kgatelopele Women Cooperative				
1. Social Development Contract(Supply School Uniform Packs)				
No. of Packs Required	**1861**			
Selling Price per Pack	**R 350.00**			
Admin Fee	**2.5%**	**of Sales**		
Total Contract Value	**R 667,633.75**			
Production Cost Benefit Analysis(2006)				
No. of packs produced	**1690**			
Cost of material per pack	**235**			
	March	April	May	Total
INCOME	R 202,095.83	R 202,095.83	R 202,095.83	R 606,287.50
Sales	**R 197,166.67**	**R 197,166.67**	**R 197,166.67**	**R 591,500.00**
Admin Fee	**R 4,929.17**	**R 4,929.17**	**R 4,929.17**	**R 14,787.50**
COST				
Materials	**R 132,383.33**	**R 132,383.33**	**R 132,383.33**	**R 397,150.00**
GROSS PROFIT 1	R 69,712.50	R 69,712.50	R 69,712.50	R 209,137.50
2. Emfuleni Primary School Contract (Supply of School Uniform)				
Items	No. Required	Selling Price	Cost of Production	
Jerseys	**44**	**R 90.00**	**R 600.00**	
Skirts	**44**	**R 80.00**	**R 1,100.00**	
Pair of socks	**44**	**R 95.00**	**R 300.00**	
	March	April	May	Total
INCOME	R 0.00	R 0.00	R 0.00	R 11,660.00
Jerseys				**R 3,960.00**
Skirts				**R 3,520.00**
Pair of socks				**R 4,180.00**
COST				R 2,000.00
Jerseys				**R 600.00**
Skirts				**R 1,100.00**

Pair of socks				**R 300.00**
GROSS PROFIT 2	R 0.00	R 0.00	R 0.00	R 9,660.00
3. Detergent Production				
	March	April	May	Total
INCOME				
Sales	**R 1,200.00**	**R 1,200.00**	**R 1,200.00**	**R 3,600.00**
COST	**R 500.00**	**R 500.00**	**R 500.00**	**R 1,500.00**
GROSS PROFIT 3	R 700.00	R 700.00	R 700.00	R 2,100.00
4. Comforter Production				
	March	April	May	Total
INCOME				
Sales				R 6,600.00
6 x big @ 950.00 per unit				**R 5,700.00**
2 x small @ R 450.00 per unit				**R 900.00**
COST				R 1,200.00
GROSS PROFIT 4				R 5,400.00
GROSS PROFIT FOR All PROJECTS				R 226,297.50
Less other cost				R 30,039.00
Electricity @ R 50 per month	**50**	**50**	**50**	**R 150.00**
Salaries@ R8550 per month	**8550**	**8550**	**8550**	**R 25,650.00**
Transport @ R1313 per month	**1313**	**1313**	**1313**	**R 3,939.00**
Tea@R100 per month	**100**	**100**	**100**	**R 300.00**
NET PROFIT FROM ALL PROJECTS				R 196,258.50

Appendix 3: Questionnaire for Officials

A REVIEW OF INCOME GENERATION PROJECTS IN GAUTENG				
Data Sources: Officials				
1. INTRODUCTION				
Name of entity	1.1.			
Physical address of entity	1.2.			
Local municipality	1.3.2.			
District municipality	1.3.3.			
Province	1.3.4.			
Respondent	Name of respondent	Position in organisation	Gender	
	1.4.1.	1.4.2.	1.4.3.	
2. PROJECT BENEFICIARIES				
Was targeting of beneficiaries based on programme policy?	1. Yes	2. No	3. Not sure	
What group was the programme actually targeting?				
4. MARKET RESEACH STUDY				
Was the market research study conducted prior to implementation of the programme?	1. Yes	2. No	3. Not sure	
Did the study influence the choice of the project's business activity?	1. Yes	2. No	3. Not sure	
Is there any specific target market served by projects?	1. Yes	2. No	3. Not sure	
How far is the target market from the projects?	1. Within 10 km radius	2. Between 10 and 30 km radius	3. Beyond 30 km radius	
Are there any challenges relating to the distance between projects and the target market?	1. Yes	2. No		
If yes, specify the challenges				
5. MARKET LINKAGES				

What organisations do you think are important for income generation projects to form business links with?	1. Private sector organisations	2. Public sector organisations	3. Non Government organisations	All three sectors
Will you provide reasons for your answer to the preceding question?				
6. DISTRIBUTION CHANNELS				
Is the relationship between the target market and the project direct or through intermediaries?	1. Yes	2. No	3. Not Sure	
Does the project get inputs directly or through intermediaries?	1. Yes	2. No	3. Not Sure	
How will you rate relationships between projects and their intermediaries?	1. Important to existence of the project	2. Detrimental to existence of the project	3. Not sure	4. Not Applicable
7. SUPPORT ORGANISATIONS				
Which organisations supported Kgatelopele and Buhle bethu projects?	Names of organisations	Type of service		
	9.1.1	9.1.1.1.		
	9.1.2.	9.1.2.1.		
	9.1.3.	9.1.3.1.		
	9.1.4.	9.1.4.1.		
	9.1.5.	9.1.5.1.		
How will you rate skills / competencies of practitioners from these support organisations?	1. Relevant to project's core business	2. Irrelevant to project's core business	3. Not sure	
What is your opinion about the specific contribution of support organisations to IGP's?				
Do you think projects would have been where they are without external support?				
8. PROJECT FUNDING				
How much did the project receive?	10.1.			
Was it in one or over a number of financial years?	10.2.	Specify the period?	10.2.1.	
Will the project receive further funding?	10.3.	For how long?	10.3.1.	
9. PROJECT CAPACITY BUILDING				

Did project members receive any training?	1. Yes	2. No	3. Not Sure	
If yes state what type/s of training?	1. Business Management	2. Project management	3. Both business and project management	4. None of the three
Did training improve members' capacity to carry out project activities better?	1. Agree	2. Not agree	3. Not sure	
Do you think projects are ready to run without external support?	1. Agree	2. Not agree	3. Not sure	
10. INSTITUTIONAL ARRANGEMENTS				
What institutional arrangements do projects have?	1. Board of directors	2. Executive committee	3. Operations management	4. All three
Which structure is responsible for strategic direction of the project?	1. All three	2. Operations management	3. Operations management	4. Executive committee
Which structure is in charge of operations?	1. Executive committee	2. All three	3. Operations management	4. Board of directors
11. OWNERSHIP OF THE PROJECT				
Who owns the project?	Founder members only	All project members		
Is there any formal, documented shareholding structure?	1. Yes	2. No	3. Not Sure	4. Not Applicable
How is / was shareholding formalised?	1. Share certificate	2. Verbal agreement	3. Not Sure	4. Never Considered.
What other factors not covered in the questionnaire do you think would contribute to the success of your project?				
How would you rate the contribution of these factors on a scale of 1-3?				
What other factors not covered in the questionnaire do you think would inhibit the success of your project?				
How would you rate these impeding factors on a scale of 1-3?				

Appendix 4: Guiding framework for discussion with project members

A REVIEW OF INCOME GENERATION PROJECTS IN GAUTENG				
Data Sources: Project members				
1. INTRODUCTION				
Name of entity	1.1.			
Physical address of entity	1.2.			
Name of community village	1.3.			
Ward	1.3.1.			
Local municipality	1.3.2.			
District municipality	1.3.3.			
Province	1.3.4.			
2. PROJECT BENEFICIARIES				
How much were you earning before the project?	1. Previously unemployed = 0	2. R100.00 - R299.00	3. R 300.00 - R 599.00.	
Is income the only benefit you receive from the project?	1. Yes	2. No	Not sure	
If yes, will you state some of these benefits?	1	2	3	
3. INCOME GENERATION				
How does the project generate income?	Source 1	Amount per annum		
	3.1.	3.1.1.		
	3.2.	3.2.1.		
	3.3.	3.3.1		
	3.4.	3.4.1.		
	3.5.	3.5.1.		
	3.6.	3.6.1.		
4. MARKET RESEACH STUDY				
Was the market research study conducted prior to implementation of the project?	1. Yes	2. No	3. Not sure	
Did the study influence the choice of the project's business activity?	1. Yes	2. No	3. Not sure	
Is there any specific target market served by the project?	1. Yes	2. No	3. Not sure	
How far is the target market from the project?	1. Within 10 km radius	2. Between 10 and 30 km radius	3. Beyond 30 km radius	
Are there any challenges relating to the distance between your project and the target market?	1. Yes	2. No		
If yes, specify the challenges	1	2	3	

5. MARKET LINKAGES				
What organisations do you think are important to form business links with?	1. Private sector organisations	2. Public sector organisations	3. Non Government organisations	All three sectors
Will you provide reasons for answers to the preceding question?	1	2	3	4
6. DISTRIBUTION CHANNELS				
Is the relationship between the target market and the project direct or through intermediaries?	1. Yes	2. No	Not Sure	
Does the project get inputs directly or through intermediaries?	1. Yes	2. No	Not Sure	
How will you rate these relationships?	1. Important to existence of the project	2. Detrimental to existence of the project	3. Not sure	4. Not Applicable
7. SUPPORT ORGANISATIONS				
Which organisations supported your project?	Names of organisations	Type of service		
	9.1.1	9.1.1.1.		
	9.1.2.	9.1.2.1.		
	9.1.3.	9.1.3.1.		
	9.1.4.	9.1.4.1.		
	9.1.5.	9.1.5.1.		
How will you rate skills / competencies of practitioners from support organisations?	1. Relevant to project's core business	2. Irrelevant to project's core business	3. Not sure	
What is your opinion about the specific contribution of support organisations to your project?				
Do you think your project would have been where it is without external support?				
8. PROJECT FUNDING				
How much did the project receive?	10.1.			
Was it in one or over a number of financial years?	10.2.	Specify the period?	10.2.1.	
Will the project receive further funding?	10.3.	For how long?	10.3.1.	
9. PROJECT CAPACITY BUILDING				
Did project members receive any training?	1. Yes	2. No	3. Not sure	
If yes state what type/s of training?	1. Business management	2. Project management	3. Both business and project management	4. None
Did training improve your capacity to carry out project activities better?	1. Agree	2. Not agree	3. Not sure	

Do you think your project is ready to run without external support?	1. Agree	2. Not agree	3. Not sure	
10. INSTITUTIONAL ARRANGEMENTS				
What institutional arrangements do you have in your projects?	Board of directors	Executive committee	Operations management	All three
Which structure is responsible for strategic direction of the project?	All three	Operations management	Operations management	Executive committee
Which structure is in charge of operations?	Executive committee	All three	Operations management	Board of directors
11. OWNERSHIP OF THE PROJECT				
Who owns the project?	Founder members only	All project members		
Is there any formal, documented shareholding structure?	Yes	No	Not Sure	Never Considered.
How is / was shareholding formalised?	Share certificate	Verbal agreement	Not Sure	
	1. Agree	2. Not agree	3. Not sure	
What other factors not covered in the questionnaire do you think would contribute to the success of your project?				
How would you rate the contribution of these factors on a scale of 1-3?				
What other factors not covered in the questionnaire do you think would inhibit the success of your project?				
How would you rate these impeding factors on a scale of 1-3?				